

1907.  
NEW ZEALAND.

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# INDUSTRIES AND COMMERCE

(SIXTH ANNUAL REPORT OF THE DEPARTMENT OF).

BY THE MINISTER OF INDUSTRIES AND COMMERCE, HON. JAMES MCGOWAN.

*Presented to both Houses of the General Assembly by Command of His Excellency.*

MY LORD,—

Department of Industries and Commerce, Wellington, 6th August, 1907.

I have the honour to submit to Your Excellency the report of the Department of Industries and Commerce for the year ending the 31st March, 1907.

I have, &c.,

J. MCGOWAN,

Minister of Industries and Commerce.

His Excellency the Governor of New Zealand.

IN presenting the sixth annual statement it becomes my pleasure to again direct attention to the advance made during the past year in trade and commerce. Not only have the prices ruling for goods exported been on the whole considerably higher than for many years past, but a yet more pleasing feature has been the substantial increase in the volume of exports, nearly all the important lines being considerably improved, indicating that a great advance has been made in the development of the country. This feature is of more than usual interest, because the previous year showed no such advance. On the other hand, there was a decrease in some of the important export lines during the year 1905-6. The products showing the greatest increase are wool, lamb, mutton, beef, preserved meats, sheep and rabbit skins, tallow, butter, cheese, hemp, and gold, the total increased value being £3,532,260. Against this there has been a very large decrease in the export of wheat, and to a lesser degree in oats, seeds, kauri-gum, timber, &c., totalling in value £267,470.

The total exports for the year are valued at £19,532,119, as against £16,267,329 for 1905-6, showing an increase of £3,264,790, or 20·7 per cent.—an advance upon which the country is to be congratulated.

The value of imports for 1906-7 amounted to £15,323,127, as against £13,186,081 for the previous year, showing an increase of £2,137,046.

Although there has been evidence of a weakening tendency in the price of wool during the closing months of the year, particularly in the coarser grades, I do not anticipate that the coming season's output of produce generally will find a less ready market than that of the past season, and I feel that there are good grounds for presuming that the prices on the whole will not be materially less.

In view of the keen competition experienced in the markets of Great Britain, advantage has been freely taken of opportunities to keep the products of New Zealand before the merchants and consumers of the country which provides us with our most regular and stable market. Reports go to show that year by year our products are becoming more firmly established and more widely distributed. There is, however, room, in my opinion, for more systematic and energetic work in making known the products of this country in Great Britain. Any step taken in this direction means the strengthening of the commercial staff in London. The officer at present employed has his hands very full. It cannot be expected that one officer can carry on effectively work of such magnitude as supervising the arrival and distribution of our various lines of produce, and at the same time take upon himself the still greater task of opening up fresh channels of trade in the different centres.

I am convinced that many merchants who do not at the present time handle our products would become buyers if the value of and facilities for obtaining regular supplies of our goods could be demonstrated to them.

As excellent media for advertising the nature and quality of our products and some of our manufacturers, the Department has taken advantage of the following exhibitions:—

Crystal Palace, New Zealand Permanent Court.  
 Royal Horticultural Society of England, Westminster, London.  
 Groceries Exhibition, Agricultural Hall, London.  
 Colonial Products Exhibition, Liverpool.  
 Irish International Exhibition, Dublin.

I am convinced that these exhibitions have been of considerable educative value as far as New Zealand products and manufactures are concerned.

In addition to these, exhibits have been made at the offices of the Government Agents in Sydney and Melbourne, and others are being prepared for the Australian Natives' Association Exhibition, Melbourne; the Royal Dairy Show, Islington, London; and the Franco-British Exhibition, Shepherd's Bush, London.

Australia's trade with the East has been rapidly expanding—so much so that the Victoria and New South Wales Governments have found it advisable to increase their steamship-service subsidies in order to obtain a more frequent and faster service. If New Zealand is desirous of securing a portion of this trade, it will be necessary to also arrange for a steamer-service on a subsidised basis.

There seems to be no diminution in the quantity of New Zealand butter which finds its way into the hands of the British faker and blender. The Butter Bill, which has passed the British House of Commons and is now before the House of Lords, is likely to have a beneficial effect; but, unfortunately, its provisions are not sufficiently restrictive to meet our requirements. While the addition of foreign substances is to be prohibited, blending with a maximum of 16 per cent. and milk-blending with 24 per cent. of moisture are still to be regarded as legitimate trade practices.

The steam service between the western ports of Canada and New Zealand has been running every alternate month during the year. The subsidy for this service is contributed in equal portions by Canada and New Zealand.

Although the development of trade between these countries is somewhat slow, it must not be overlooked that the business is practically a new one, as regards both our imports from and exports to Canada, and therefore a reasonable time must necessarily elapse before a satisfactory volume of trade is established.

The Canadian Government having expressed its willingness to enter into a reciprocal trade treaty with New Zealand, and both countries having extended preferential trade treatment to one another, it is, I consider, only a matter of time when there should be a very considerable trade between these two countries.

As an indication of the trend of Canadian feeling in this connection, I may refer to the following offer of the Imperial Export Company (Limited), of Ottawa, made to the Canadian Government to run a line of steamers six-weekly to Australia and New Zealand, guaranteeing full outward cargoes, and to establish exhibitions of Canadian manufactures and products in Australia and New Zealand, for the consideration of a subsidy of £50,000 per annum for three years. There is little doubt but that very good cargoes would be offering for the return trip, as New Zealand hemp, wool, pelts, &c., are in great demand in Canada. A summary of the Imperial Export Company's proposition as outlined by their solicitors is as follows: "We think it is apparent from what we have said above that it is most desirable that transportation facilities from eastern Canada to the ports of Australia and New Zealand should be placed at the disposal of our manufacturers and shippers, and the Imperial Export Company (Limited) are prepared to enter into an arrangement with the Dominion Government whereby they will agree to furnish eight steamers per year of suitable tonnage, running direct from Montreal or Quebec in summer, and St. John or Halifax in winter, to Australian and New Zealand ports. The Imperial Export Company (Limited) is prepared to guarantee full cargoes, to take entire charge of the freighting and despatching of the steamers to the markets named, and will also agree to undertake to establish permanent exhibitions in the principal cities of Australia and New Zealand, where Canadian manufacturers generally may display their goods for comparison with those manufactured in the United States. This will be a general exhibition of all manufactured lines, and competent officials will be placed in charge. For all these various undertakings we would require the sum of £50,000 per year for three years, payable in equal proportions upon the sailing of each steamer to the Australian and New Zealand ports—that is, about £6,000 for each steamer—we guaranteeing, as above stated, to supply eight steamers per year with full cargoes, and, in the event of our failing to do so, to forfeit the whole subsidy."

The Trade Representative, Mr. J. G. Gow, has been sent to Canada for the purpose of ascertaining the possibilities of extending our trade with that Dominion, and, although I am unable to publish a full report from that officer at present, some extracts from interim reports will be found in the Appendices to this statement which go to show that there is evidently scope for improvement in our trade relations, more especially with the eastern ports. There is already a fairly large export trade with these ports *via* New York and London. Canadian exporters claim to be able to supply this country with the same classes of manufactures as are now being supplied by the United States in very large quantities. A cablegram has been received from Mr. Gow that a full report of the trade prospects with Canada has been posted.

The contract with the New Zealand and African Steamship Company to the West Coast ports of the United Kingdom, which was arranged for entirely without subsidy, expired in February of this year. Although this service has not proved profitable to the Steamship Company, it is being continued without the contract being renewed.

There has been a very satisfactory increase in trade between New Zealand and the Commonwealth States. The exports for the year ending the 31st December, 1906, are valued at £3,156,489, as against £1,815,717 for the previous year. Imports, £2,391,767 for 1906, and £2,294,971 for 1905.

Several efforts have been made for the establishment of a steamship service between New Zealand, Norfolk Island, New Caledonia, and the New Hebrides, but up to the present a service for a reasonable subsidy has not been obtainable.

At Chicago the British Consul has undertaken an agency of the Industries and Commerce Department, in conjunction with the agency of the Department of Tourist and Health Resorts, and samples of New Zealand products and manufactures, &c., have been sent there for exhibition.

In consequence of the several representations made to the British War Office, extending from 1904, mentioned in the last report, the High Commissioner has succeeded in obtaining an extension of the time permitted for tendering for War Office supplies, and sufficient time is now given to exporters in the colony to tender should they so desire. I append a report received from the High Commissioner outlining a recent interview with the War Office authorities regarding the supply of colonial meats for army consumption.

#### MEETING AT THE WAR OFFICE IN REGARD TO ARMY CONTRACTS.

"The Hon. W. P. Reeves, High Commissioner for New Zealand, and Mr. Coghlan, Agent-General for New South Wales, accompanied by Mr. Gilruth, Chief Veterinarian of the New Zealand Government, interviewed Sir Edward Ward and General Clayton in reference to the newly issued tender-forms for the supply of meat to Gibraltar, in which the previous condition that all such meat should be British or colonial has been deleted.

"The High Commissioner pointed out that, although, owing to the fact that New Zealand steamers did not come *via* Suez, it did not immediately concern the Colony of New Zealand—seeing the latter was not likely to be a direct supplier to Gibraltar—the removal of the present condition was a point which he extremely regretted to see, as this previous stipulation by the War Office had been of considerable value to Australasia generally.

"Mr. Coghlan developed the subject at some length.

"The short notice occasionally given by the War Office when tenders were required was also the subject of discussion by both Mr. Reeves and Mr. Coghlan, they pointing out that there was no time for the contract-forms to reach the respective colonies before the date fixed for tenders being received.

"As regards both these points there was considerable discussion. So far as the meat-supply for Gibraltar being drawn from any source, either colonial or foreign, it was pointed out that this was a matter for the Secretary of State, and that he had already directed that such tenders were to be open. At the same time, the officials expressed their decided opinion that in choosing meat-supply, provided prices were equal, the colonies would have distinctly the preference. It was some little time before this was officially admitted, the first contention being that it was necessary in time of war, when the Suez Canal might be closed, that the meat-supply for such a place as Gibraltar should be received from any part whenever it was available. Although, naturally, the question of preference in contracts was not a subject for the decision of these officials, they expressed their pleasure in being able to inform Mr. Reeves and Mr. Coghlan that in future contracts frozen beef would also require to be tendered for, and as this was supplied almost solely by Australia and New Zealand it would mean that they would supply meat three days a week for the army instead of one as at present. At the present time only one day a week is a "mutton" day.

"In reference to the short time given for tendering, the officials stated that this had only occurred in two instances, and in both these cases it was a matter of urgency and could not have been avoided. In future every consideration will be given, and every endeavour will be made to give as long a time as possible in order that specifications may have time to reach the colonies. Sir Edward expressed the opinion, however, that all colonial meat companies should have direct agents in London. It was pointed out that a number had these at present, as they were well aware, and it was suggested by Mr. Reeves that no doubt the Government Agents-General could act as agents for some of the smaller companies and so facilitate business.

"The question of samples being submitted and examined by the War Office was also discussed, and the High Commissioner and Agent-General both expressed their willingness to keep and store samples of meat belonging to the different companies, so that they can be submitted whenever required. This proposition was favourably received, as the War Office preferred to be able to examine samples which had been held for some considerable time rather than very fresh ones. The representatives of both colonial Governments assured the War Office that their Governments were only too anxious, through their Departments and through their London representatives, to assist in every way the development of business between the meat companies in the colonies and the War Office.

"The High Commissioner took occasion to impress upon the War Office the complete system of inspection in force in New Zealand for all meat, whether for local consumption or export. He was assured that this weighed very greatly with the War Office, and that at the present time they were having, through their own officials, a complete investigation of the conditions under which meat is being killed for export to London, and also the system of inspection in vogue in all parts of the world.

"One grievance against Australia entertained by the War Office was as follows: Last year a contract for 1,000,000 lb. of tinned beef for the China Station was given to a Queensland firm at the price at which it had tendered, but on receipt of the acceptance of the tender the War Office was advised by cable that the company could not then carry out its offer. The result was that the War Office were considerably put about.

"Mr. Coghlan assured the officials, however, that had the contract been settled in any way through the intermediary or in conjunction with the Queensland Government, he was satisfied that the offer would have been adhered to, and that the War Office would not have been put to any inconvenience."

## 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.

## WEST COAST OF ENGLAND STEAMSHIP SERVICE.

This service, inaugurated by the Department, has since been regularly maintained by the New Zealand and African Steamship Company, under contract which expired in February of this year. Monthly steamers now leave New Zealand for Bristol (Avonmouth), Cardiff (Barry), Liverpool, Manchester, and Glasgow, taking for these ports cargoes of New Zealand lamb, mutton, beef, veal, pork, rabbits, poultry, butter, cheese, wool, skins, hemp, tow, grain, timber, &c., at rates of freight equivalent to those ruling to London.

Steamers of the type of the "Devon," "Sussex," and "Oswestry Grange," and others of equal tonnage are regularly employed in this service, and this fact alone should be a criterion of its success. English West Coast ports import from New Zealand from 60,000 to 85,000 carcasses of mutton and lamb monthly during the season, and large quantities of frozen rabbits and boned beef are regularly shipped to Glasgow.

A large proportion of wool exported from New Zealand finds its way to the United Kingdom by the West Coast service, Manchester proving an excellent centre for distribution to the large woollen-mills in Yorkshire. These shipments range up to 5,682 bales monthly.

In addition to farm and agricultural produce shipped to Liverpool, regular shipments of timber go forward to this port, averaging from 60,000 to over 100,000 superficial feet per steamer.

## TRADE WITH THE EAST.

No action has yet been taken to subsidise a line of steamers from New Zealand to the East, and in this connection I might draw attention to the enormous population in Eastern countries and the Pacific Islands, which are in comparatively close proximity to Australia and New Zealand. Whitaker, for 1907, gives the approximate number of peoples as follows:—

|                                        |     |     |     |     |     |             |
|----------------------------------------|-----|-----|-----|-----|-----|-------------|
| China                                  | ... | ... | ... | ... | ... | 400,000,000 |
| Japan                                  | ... | ... | ... | ... | ... | 44,260,606  |
| India                                  | ... | ... | ... | ... | ... | 294,361,056 |
| Islands of Java                        | ... | ... | ... | ... | ... | 35,412,000  |
| Philippine Islands                     | ... | ... | ... | ... | ... | 7,635,426   |
| Ceylon                                 | ... | ... | ... | ... | ... | 3,950,123   |
| Singapore                              | ... | ... | ... | ... | ... | 572,249     |
| Hong Kong                              | ... | ... | ... | ... | ... | 377,850     |
| French Indo-China                      | ... | ... | ... | ... | ... | 18,708,000  |
| German Australia                       | ... | ... | ... | ... | ... | 656,000     |
| German Samoa                           | ... | ... | ... | ... | ... | 33,000      |
| German China                           | ... | ... | ... | ... | ... | 84,000      |
| New Caledonia                          | ... | ... | ... | ... | ... | 23,000      |
| New Hebrides                           | ... | ... | ... | ... | ... | 100,664     |
| Tahiti and adjacent Islands            | ... | ... | ... | ... | ... | 20,000      |
| Solomon, Gilbert, and Friendly Islands | ... | ... | ... | ... | ... | 235,771     |
| Fiji                                   | ... | ... | ... | ... | ... | 120,124     |
| A gross total of                       |     |     |     |     |     | 806,549,869 |

It is generally acknowledged that the inhabitants of China and Japan are, to a large extent, throwing off their old-time conservatism as regards food and wearing apparel, and now consuming food and adopting clothing of the same kind and class as Europeans.

Thus huge markets are rapidly developing, which will take almost unlimited quantities of produce, wool, woollen goods, leather, &c., from the nearest and most regular source of supply.

This is perhaps an opportune moment to bring under notice the large trade which is now being carried on by Australia with Japan, China, and the States of the Indo-China Peninsula, together with the Malay Archipelago and the Philippine Islands.

The principal lines exported from Australia are flour, wheat, and other cereals, butter, hides and leather, timber, forage, fruits, and manures.

There are practically no exports direct from New Zealand to the East, but it is within the knowledge of the Department that some of our products filter through Australian channels to Japan and China. The latest figures available from Mr. J. B. Suttor, commercial representative of New South Wales, afford a striking example of the rapid progress made by the Commonwealth in this trade to the East during the last few years. I quote the following from his reports:—

*"Australian Trade with Japan."*

| Year. | Imports into<br>Japan. |    |    | ✂ | Exports from<br>Japan. |    |    | Total Trade. |    |    |
|-------|------------------------|----|----|---|------------------------|----|----|--------------|----|----|
|       | £                      | s. | d. |   | £                      | s. | d. | £            | s. | d. |
| 1903  | 119,993                | 10 | 0  |   | 335,246                | 10 | 0  | 455,240      | 0  | 0  |
| 1904  | 439,908                | 10 | 0  |   | 443,858                | 18 | 0  | 883,767      | 8  | 0  |
| 1905  | 600,119                | 12 | 0  |   | 407,293                | 12 | 0  | 1,007,413    | 4  | 0  |

"In the Philippine Islands a further large increase is reported as follows:—

| Year. | Imports into<br>Philippine Islands. |    |    | Exports from<br>Philippine Islands. |    |    | Total Trade. |    |    |
|-------|-------------------------------------|----|----|-------------------------------------|----|----|--------------|----|----|
|       | £                                   | s. | d. | £                                   | s. | d. | £            | s. | d. |
| 1903  | 128,779                             | 3  | 4  | 70,052                              | 5  | 10 | 198,831      | 9  | 2  |
| 1905  | 284,512                             | 18 | 4  | 92,275                              | 8  | 4  | 376,788      | 6  | 8  |

The trade with China from Australia and New Zealand is still in its infancy, and, no doubt, is capable of great expansion. When it is considered that in 1905 the value of imports into China amounted to £67,996,578 12s. 7d., and that of the exports to £34,657,996 12s. 6d., it is not unreasonable to think that New Zealand should secure a portion of this trade. The total British trade in 1905 amounted to £42,179,246 19s. 11d. imports, and £16,208,206 9s. 3d. exports, of which Australasia contributed £234,017 15s. 5d. imports, and £10,939 1s. exports.

A very small portion of which trade was done with New Zealand.

China now imports woollen goods, consisting of flannel blankets and rugs, worsted yarn, and also butter and cheese (of which commodities Australia exported during 1905 to the value of £9,093), candles, coal, fish and fish-products, flour, dried fruits, hides, leather, condensed milk, soap, timber, and wines, all of which are produced or manufactured in New Zealand.

To show how the trade with the East is catered for in Australia, I quote the following from *Dalgety's Review*, 10th June, 1907:—

"The requirements of our trade are well catered for by several lines of steamers—viz., Nippon Yusen Kaisha, China Navigation Company, Eastern and Australian S.S. Company, Nord-Deutscher Lloyd, Burns, Philp, and Co.'s line, A. Currie and Co., British-India S.N. Company. Besides these, other steamers are chartered on different occasions to transport special cargoes. The existence of all these regular lines of steamers is an indication of the extent of our present trade; on the outward voyage from Australia their carrying-capacity on most occasions is taxed to the utmost. This frequent, speedy service will materially assist in developing Australia's commerce with the Eastern countries.

"The export of Eastern produce presents a splendid field for an energetic trade. Rice, tea, sugar, coffee, copra, silk—in fact, Eastern goods are 'legion.' They afford plenty of scope to the merchant, and, if an exporting house too, a reciprocal trade is more beneficial to both parties."

#### TRADE WITH AUSTRALIA.

Taking into consideration the fact that New Zealand and Australia export similar lines of produce, the trade between the two countries has been satisfactory.

|                                                                        |           |
|------------------------------------------------------------------------|-----------|
|                                                                        | £         |
| Exports from New Zealand to Australia, year ending 31st December, 1906 | 3,156,489 |
| Imports from Australia to New Zealand, year ending 31st December, 1906 | 2,391,767 |
| Difference in favour of New Zealand                                    | 764,722   |

The figures for the year ending 31st December, 1905, are as follows:—

|                                          |           |
|------------------------------------------|-----------|
|                                          | £         |
| Exports from New Zealand to Australia... | 1,815,717 |
| Imports from Australia to New Zealand    | 2,294,971 |

It will be seen by the 1906 figures that New Zealand exported to the Commonwealth goods to the value of £764,722 in excess of the imports from Australia. Interchange of trade is handicapped to a considerable extent by the Customs tariff adopted in each country. Still, large shipments of hemp, timber, fish, and woollen goods are exported regularly, and there is also a demand for hides, skins, marble, pumice-stone, and cheese. The latter article (although subject to a duty of 3d. per pound) is in request for the better-class trade in the Commonwealth, being greatly superior in quality and texture to Australian cheese.

#### WAR OFFICE SUPPLIES.

As objections were raised by packers regarding the date on which any meat was preserved being stamped on the bottom of each tin, the authorities made the following concession in connection with the last tender called: Tins to be stamped "A" to represent meat packed in 1907; "B," 1908; "C," 1909; "D," 1910.

Reports from London indicate the fact that the War Office authorities are, all things being equal, willing to draw supplies of New Zealand meats for use in the army. Major A. Long, D.S.O., of the Army Service Corps, has visited New Zealand to inspect the conditions under which preserved meat is being prepared and canned here. On arrival in Wellington Major Long was given every assistance to enable him to obtain reliable information. After inspecting the chief preserving-works in the country Major Long gave expression to the fact that they were well conducted, the sanitary arrangements excellent, and the Government inspection admirable. He also expressed the opinion that nowhere in the world would there be found canning-works of a higher standard of efficiency. He considers the question of whether New Zealand will have an opportunity of supplying tinned meat to the British army mainly depends on the price at which it can be supplied, the price and quality naturally deciding the source of supply.

#### MEAT FOR THE PHILIPPINES.

The U.S.A. War Office authorities show a disposition to come to New Zealand for beef and mutton for the troops stationed at Manila, and tenders were recently called for a supply of 6,600,000 lb. of beef and 200,000 lb. of mutton. Owing to representations made to the authorities, the date on which tenders were to close at Manila was extended so as to enable Australia and New Zealand to quote. Specifications and conditions of tenders were forwarded by the Department to the freezing companies in this country, but owing to there being no direct service to Manila from New Zealand no business resulted on this occasion.

It is understood that when the Australian tenders were opened it was found that the price asked was in excess of previous quotations received, and the authorities decided to send Major H. J. Gallagher, of the United States army, to New Zealand to make inquiries in this market as to supplies, prices, and possible shipping facilities before accepting any tender.

On Major Gallagher's arrival in Wellington full information was afforded him on the subject of his mission. He visited the larger refrigerating-works, and expressed his great satisfaction at the methods of slaughtering and Government inspection adopted in New Zealand. Owing to the season being so advanced, and the short supply of beef available, no company was in the position to quote for the quantity of beef required by the U.S. army—viz., 2,000 tons—but it is hoped (should reasonable freights be quoted) that the American authorities will be in this market from October to March, when a further outlet for surplus supplies would prove beneficial to the beef trade here.

Samples and quotations of New Zealand oats and fodder were supplied to Major Gallagher, but, as local quotations are likely to rule high for some time to come, it is unlikely that immediate business will result.

Speaking generally of the Philippine Islands, the officer said that political conditions are in a tranquil state and business flourishing.

#### BOARD OF TRADE INQUIRIES.

In connection with my appointment as Official Corresponding Secretary for the Commercial Intelligence Branch of the British Board of Trade, I am in receipt of a large amount of inquiries on commercial questions.

It is worthy of note that there is a disposition on the part of British manufacturers to extend their trade to New Zealand, and every assistance is given by the Department to inquirers who ask for information relating to trade, shipping, Customs duties, &c.

During the year local correspondents were appointed by the Board of Trade at Wellington, Auckland, and Dunedin, to report on matters affecting trade in their particular province. Matters of larger importance are, however, referred to me direct.

Full particulars of the export and import trade of New Zealand are forwarded to the Board of Trade at regular intervals.

#### CHICAGO AGENCY.

Satisfactory arrangements have been made with the British Consul in Chicago to exhibit samples of New Zealand products and manufactures, and also to answer inquiries relative to these. It is hoped that this agency will assist in the development of our export trade, and with this object in view various samples have been forwarded to Chicago, consisting of grain, grass-seeds, peas, beans, kauri-gum, woollen goods, and hemp. A plentiful supply of commercial literature and pictures accompanied the samples to assist the Consul in his work in connection with the agency. There is no salary attached to the position, the Department paying only actual expenses incurred for shipping-charges, and also incidentals in Chicago.

#### AUSTRALIAN AGENCIES.

In conjunction with the Department of Tourist and Health Resorts, agencies were opened in Sydney and Melbourne in June, 1906. Regular reports are received from the Government agents relating to the trade and commerce of the Commonwealth, together with particulars of tenders called for by foreign countries, which are not always available in New Zealand, but in which this country might participate.

Attractive samples of New Zealand products are displayed at both agencies, consisting of wheat, oats, peas, beans, barley, grass-seeds, hops, hemp, timber, and woollen goods, which greatly assist the agents when giving information regarding the productiveness of New Zealand.

Following are some extracts from the reports of these agents.

The Government Agent in Sydney writes,—

"That the agency has proved of value in a commercial sense is indorsed by the numerous daily inquiries made by business people concerning Customs tariff, trades and callings of the people, and sizes, together with population, of the New Zealand towns.

"Whenever practicable I have obtained copies of conditions and specifications relative to tenders received in New South Wales forwarded by its commercial representatives abroad. A few days ago I also forwarded to the Industries and Commerce Department particulars of a big meat contract for the American forces in the Philippines, and of which little publicity was given in Sydney. A report was also furnished of a proposal submitted by cotton-growers at the New Hebrides by which New Zealand might with advantage take regular supplies of this commodity.

"I have taken every opportunity of bringing under the notice of furniture-manufacturers and others the excellence of New Zealand woods for high-class furniture."

The following is from the Melbourne Agency:—

#### "Trade.

"Every opportunity is taken of promoting commercial interests between New Zealand and this State, and as time proceeds I believe, by devoting special attention to this branch of the Department, we shall be able to improve the present state of affairs *re* commercial matters.

“Correspondence under this heading has covered such subjects as the binder-twine, marble, potato, fish, pumice-stone, timber, and woollen industries. Although no explicit results may have been forthcoming from such correspondence and inquiries, owing to the tariff restrictions, still we anticipate in the near future, with the assistance of a display of New Zealand products in this agency, to be able to considerably extend commercial relations between the two colonies. I have gathered that there is a demand for many of our products here, but the mode of distribution will require alteration so that a more satisfactory state of affairs than now existing may be brought about. As giving an illustration of this, New Zealand blue cod is in the hands of a monopoly here, with the consequent result of high prices and a limitation of trade.”

#### EXHIBITIONS.

During the year the Department has been doing as much as possible with the means at its disposal to keep the products of New Zealand before the traders and consumers of the United Kingdom. One of the principal means employed has been the placing of exhibits of the country's products and manufactures at the various exhibitions. At these shows many thousands of people have obtained an ocular demonstration of the article we are able to export, and many more thousands have had the excellent quality of our goods brought under notice by the descriptive reports which have been widely published by the Press of the United Kingdom.

#### *Crystal Palace.*

A permanent court has been maintained here, and, as all classes of the British community are in the habit of visiting the great glass buildings at Sydenham, the permanent exhibit of New Zealand products and manufactures is undoubtedly a good advertisement for this country. The exhibits at this court are renewed from time to time.

#### *Liverpool Colonial Exhibition, 1907.*

In conjunction with the Irish International Exhibition, the Department collected a new series of samples of New Zealand products and manufactures for display at the Liverpool Colonial Products Exhibition held annually, and, in order to save duplication, stocks sent primarily for exhibition in Dublin were drawn on to make a creditable display in Liverpool.

A satisfactory report has been received from the High Commissioner, in which he states that New Zealand occupied the largest space and most prominent position in St. George's Hall. He also states that the attendance of the public was satisfactory, and that this country's exhibit attracted much attention, particularly the display of hemp, timber, and fungus. A large number of inquiries were received at the New Zealand Court connected more or less directly with emigration, and there is every reason to believe that good results will ensue through New Zealand accepting the offer to exhibit.

The Liverpool Press, particularly the *Mercury* and *Courier*, published eulogistic notices of the New Zealand Court, pointing out the great resources this country possesses, its progress, and its many attractions as a field for both business and pleasure.

During the currency of the Exhibition two illustrated lectures were delivered to large audiences on the subject of New Zealand.

#### *New Zealand Tinned Meats exhibited at the Grocery Exhibition, London.*

In my last report I briefly noted the fact that, the Government having decided to make an exhibit of tinned meats at this Exhibition, the efforts of the Department met with great success. In view of the Chicago meat scandal, which was much in evidence just prior to the time the Exhibition opened, the moment was considered opportune to send forward a representative shipment of New Zealand canned goods. A pamphlet was specially prepared by the Department pointing out the general conditions of meat inspection and slaughtering in the country, and a statement was inserted, signed by the Prime Minister, to the effect that all meat exported from New Zealand is absolutely guaranteed by the Government to be healthy, wholesome, and thoroughly fit for human food. This pamphlet was very largely quoted, and New Zealand's methods favourably referred to by the British Press.

The Admiralty and the War Office were approached with reference to a visit of officers connected with the Department of Supply and Contracts, and the following gentlemen were received by the High Commissioner at the Exhibition: Admiralty—Mr. Black, Director of Navy Contracts; Mr. Murray, Director of Victualling; Mr. Minter, Navy Contract Department. War Office—General Clayton, Director of Supplies; Colonel Collard, Assistant Director of Supplies; Colonel Hobbs, Assistant Director of Supplies and Transport, London District; Captain Buckle, Army Service Corps. A minute inspection of the meats sent by New Zealand was made by these gentlemen, samples being opened and thoroughly examined. The officers, as a result, declared themselves highly satisfied with all they saw, and the New Zealand Slaughtering and Inspection Act specially appealed to them. Large samples of canned meats were sent to the naval and military depots, so that a further thorough trial might be given them.

The remarks of the London Press were particularly complimentary to our exhibit, and I quote a few extracts from reports published:—

*Ice and Cold Storage*, October, 1906.—“In the main hall was a fine display from New Zealand, devoted principally to canned goods, seven companies having large exhibits of most tempting commodities. In this connection we may draw attention to two excellent pamphlets just issued by the New Zealand Government on the methods adopted in the preparation of meat in the colony



for the English market. Full details, with ample illustrations, are given as to the production, slaughter, inspection, and shipment of meat and produce, which must completely reassure the most horrified readers of the alleged Chicago malpractices."

*Daily Express*, 24th September, 1906.—"The New Zealand Government stall is a sequel to the American meat scandal. New Zealand wishes to prove that honest and wholesome meat can be shipped from the colonies."

*Morning Leader*, 24th September, 1906.—"On the site where a well-known American firm once exhibited, the New Zealand Government have planted their goods, determined that their people should step into the shoes of the Americans. Two printed notices are prominently displayed, one of which asserts that the New Zealand canned meats are slaughtered, prepared, and packed under the most stringent veterinary inspection in the world, while the other gives extracts from the New Zealand Slaughtering and Inspection Act. Visitors are invited to step in and taste the colonial tinned meats, and by the time the exhibition is closed the whole of the display will probably have been 'tasted' away."

*Grocers' Review*, 25th September, 1906.—"The object of the New Zealand Government in being represented at the Exhibition has been explained in the introductory observations. It may be added that the canned-meat industry of the colony is only in its early stages; but, given the demand, there are almost limitless possibilities of development. The samples shown are the produce of several private companies, but they are prepared under most drastic State regulations and supervision, and not a single ounce of canned meat can be exported which has not been passed by the Government Inspector and certified as wholesome by him. The consuming public have, therefore, the best guarantee that can be given as to the purity and quality of the food."

In further reference to the meat question, the *Hospital*, of the 13th October, 1906, devotes three pages to an article dealing with "New Zealand and the Supervision of its Meat-supplies," in connection with the exhibit sent to England by the Department. This article concludes as follows: "Of the samples taken at random from the New Zealand exhibit, we examined 'oxtail soup' from the Gear Meat-preserving Company (Limited), and found it of excellent quality. The same may be said of the 'jugged hare' of Irvine and Stevenson, St. George Preserving Company. The sheep's tongues from the Christchurch Meat-preserving Company (Aorangi brand), and those from the Wanganui Meat-freezing Company were in every way satisfactory and delicious. They were soft and tender, and maintained their natural flavour as if they had just been cooked—qualities which it is very rare to find."

#### *Irish International Exhibition.*

The Government was invited on the 2nd April, 1906, to be represented at the above Exhibition. The invitation was accepted, and 3,000 square feet of space secured.

Leading producers, merchants, and manufacturers of New Zealand were then approached by the Department, which resulted in very satisfactory exhibits going forward by the s.s. "Ruapehu," s.s. "Gothic," and s.s. "Tongariro." The consignments forwarded were made up as follows: Department of Industries and Commerce forwarded exhibits of ironsand; butter and cheese trophy erected out of butter-boxes and cheese-cases; natural mineral waters; New Zealand wines; woollen goods, consisting of rugs, flannels, and blankets; wheat, oats, barley, beans, and peas; sheaves of all classes of wheat, oats, and barley; tinned vegetables, tinned fruits, bottled jams and sauces, pickles, condensed milk; portmanteaux, bags, and saddles manufactured from New Zealand leather; fleeces of wool; collection of rabbit-skins, sheep-skins, and pelts; bales of each grade of hemp (*Phormium tenax*); samples of New Zealand woods; a brass plate giving particulars of New Zealand's gold-export; a brass plate giving exports for year 1906; a brass plate, engraved, setting out the advantages New Zealand offers to the home-seeker, the health-seeker, and the sportsman; samples of New Zealand sulphur.

In conjunction with the Department of Tourist and Health Resorts, a good display of commercial and agricultural photographs was forwarded, together with a supply of literature, attractively prepared, dealing with the country's resources.

Private exhibits, which were shipped and handled by the Department, consisted of the following:—

| Consignors.                                  | Exhibit.                               |
|----------------------------------------------|----------------------------------------|
| Kaiapoi Woollen Company (Christchurch) ...   | Large exhibit of woollen manufactures. |
| Newton King (New Plymouth) ...               | Samples of fungus.                     |
| Wood Bros. (Christchurch) ...                | Flour.                                 |
| Canterbury Roller-mills (Christchurch) ...   | "                                      |
| Evans and Co. (Timaru) ...                   | "                                      |
| Timaru Milling Company (Timaru) ...          | "                                      |
| D. H. Brown and Son (Christchurch) ...       | "                                      |
| George Trapnell (Brightwater) ...            | "                                      |
| Redwood Bros. (Spring Creek) ...             | "                                      |
| Moir and Co. (Christchurch) ...              | "                                      |
| Northern Flour-mills (Auckland) ...          | "                                      |
| G. W. S. Patterson and Co. (Auckland) ...    | Kauri-gum.                             |
| Christchurch Meat Company (Christchurch) ... | Tinned meats.                          |
| Wanganui Freezing-works (Wanganui) ...       | "                                      |
| Kauri Timber Company (Auckland) ...          | Samples of timber.                     |
| W. Adams (Blenheim) ...                      | Bale of superior-grade hemp.           |

| Consignors.                                                         | Exhibit.                                                                     |
|---------------------------------------------------------------------|------------------------------------------------------------------------------|
| New Zealand Loan and Mercantile Agency Company (Blenheim) ... ..    | Exhibit of grain and seed, of barley and peas grown in Marlborough District. |
| W. E. Clouston and Co. (Blenheim) ... ..                            | Samples of grain and barley.                                                 |
| New Zealand Farmers' Co-operative Association (Christchurch) ... .. | Honey in jars.                                                               |
| Donaghy and Co. (Limited), (Dunedin) ... ..                         | New Zealand rope, flax lashing, and binder-twine.                            |
| Dalefield Co-operative Dairy Company (Limited), Carterton) ... ..   | Coloured and white cheese.                                                   |
| Campbell, Ehrenfried, and Co. (Auckland) ... ..                     | Mineral waters.                                                              |
| Hancock and Co. (Auckland) ... ..                                   | "                                                                            |
| New Zealand Mineral Springs (Limited), (Auckland) ... ..            | "                                                                            |
| Thompson and Co. (Dunedin) ... ..                                   | "                                                                            |
| Ewing Phosphate Company (Limited), (Dunedin) ... ..                 | Ground and rock phosphate.                                                   |
| W. and G. Turnbull and Co. (Limited), (Wellington) ... ..           | Pickles, spices, and proprietary manufactures.                               |
| S. Kirkpatrick and Co. (Limited), (Nelson) ... ..                   | Jams, fruits, tinned peas, and specialties.                                  |

#### *Philadelphia Museum.*

When in Philadelphia, U.S.A., I met Dr. Wilson, the Director of the Commercial Museum of Philadelphia, the largest institution of its kind in existence, who offered to make a permanent display of New Zealand products and manufactures in a special court free of cost to the Government. This generous offer was duly accepted, and a quantity of products and pictures were transferred to this museum from the colony's exhibit at the Louisiana Purchase Exposition. Dr. Wilson now requests further supplies of products and pictures, therefore samples of kauri-gum, hemp, grain, seeds, peas, barley, and woollen goods, together with a supply of commercial literature and photographs depicting agricultural and manufacturing pursuits, have been forwarded to him.

#### MONTHLY EXPORT LEAFLET.

Owing to the many inquiries received from oversea countries, and also from New Zealand exporters, it was found necessary during the year to collect monthly particulars of exports of practically all the principal products of New Zealand. To make these particulars as comprehensive as possible, it was arranged with the Department of Agriculture for this Department to take over, at the beginning of the present financial year, the Products Export Leaflet hitherto issued by the former Department, which previously included in its monthly statement particulars only of butter, cheese, beef, mutton, lamb, wheat, oats, potatoes, and hemp. In addition to the monthly statistics of these products, there is now included poultry, rabbits, tow, kauri-gum, grain and pulse other than wheat and oats, hops, hides, skins, tallow, timber, wool, and gold, and these particulars are collected by the Customs Department from the following ports: Auckland, Kaipara, Gisborne, Napier, Waitara, New Plymouth, Patea, Wanganui, Wellington, Blenheim and Picton, Nelson, Hokitika, Westport, Greymouth, Lyttelton (Christchurch), Timaru, Oamaru, Dunedin and Port Chalmers, and Bluff (Invercargill).

The monthly figures are issued from interim reports, and are subject to revision, but at the end of each quarter it has been arranged to supplement the information contained in the leaflet by correct quarterly returns.

#### HIGH COMMISSIONER'S CABLE.

The cabled reports arriving here weekly are the source of much interest to those connected with the production or the marketing of New Zealand produce. Instances are before me in which buyers and sellers await authentic information from the Department before entering into forward contracts of any dimensions, as it is generally recognised that the reports issued from this office are unbiassed, and may be relied on by contracting parties. The New Zealand Press Association is provided with full details of the cable, so that it may be telegraphed to all parts of the country.

Owing to the price of "fair"-grade hemp being constantly inquired for by millers and merchants, it has been arranged to have this item cabled regularly.

#### *Advice of Exports shipped from New Zealand.*

The arrangements made with various shipping companies trading with New Zealand to promptly supply the Department with copies of manifests of cargo have been satisfactorily carried out. The High Commissioner has advised that the cables sent to him by this Department on receipt of the above information are looked for with considerable interest by merchants and brokers closely connected with New Zealand exports, and much of the information sent is published in trade journals.

The principal products of which particulars of exports are cabled are mutton, lamb, beef, butter, cheese, wool, hemp, kauri-gum, and timber. Should any large quantity of other products be shipped, it is added to the cable advice.

*Cablegrams from the High Commissioner for New Zealand showing the Average Prices quoted in the United Kingdom for the undermentioned Principal Lines of New Zealand Produce, 1906-7.*

| Date.      | Lamb, per Pound. |               | Mutton, per Pound. |               | Beef, per Pound. |               | Butter, per Hundredweight. | Cheese, per Hundredweight. |           | New Zealand Hemp, on Spot, per Ton. | Cocksfoot, per Hundredweight. | (a) Short-berried Wheat, per 496 lb. | (a) Long-berried Wheat, per 496 lb. | (a) Sparrow-hill Oats, per 384 lb. | (e) Danish Oats, per 320 lb. | (e) Beans, f.a.q., per 504 lb. | Partridge Peas, per 504 lb. | Blue Peas, per 504 lb. | (b) Kauri-gum, per Hundredweight. |
|------------|------------------|---------------|--------------------|---------------|------------------|---------------|----------------------------|----------------------------|-----------|-------------------------------------|-------------------------------|--------------------------------------|-------------------------------------|------------------------------------|------------------------------|--------------------------------|-----------------------------|------------------------|-----------------------------------|
|            | Canterbury.      | North Island. | Canterbury.        | North Island. | Canterbury.      | North Island. |                            | White.                     | Coloured. |                                     |                               |                                      |                                     |                                    |                              |                                |                             |                        |                                   |
| 1906.      |                  |               |                    |               |                  |               |                            |                            |           |                                     |                               |                                      |                                     |                                    |                              |                                |                             |                        |                                   |
| April 2 .. | d. 51            | d. 41         | d. 41              | d. 41         | d. 23            | d. 33         | 99                         | 63                         | 66        | 32/-                                | 57                            | 31/                                  | 31/6                                | 23/6                               | 19/6                         | 35/                            | 40/                         | 35/                    | ..                                |
| " 9 ..     | 58               | 48            | 48                 | 48            | 25               | 31            | 98                         | 63                         | 66        | 32/-                                | 58                            | 31/                                  | 31/6                                | 23/6                               | 19/6                         | 35/                            | 40/                         | 35/                    | ..                                |
| " 16 ..    | 58               | 48            | 48                 | 48            | 28               | 33            | 98                         | 62                         | 66        | 32/-                                | 58                            | ..                                   | ..                                  | 24/6                               | 20/                          | 35/                            | 42/6                        | 37/6                   | 150/ to 4/                        |
| " 23 ..    | 44               | 44            | 44                 | 44            | 21               | 31            | 100                        | 61                         | 66        | 31/10                               | (c) 49                        | 31/6                                 | 32/                                 | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 30 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 101                        | 60                         | 65        | 31/10                               | 49                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| May 7 ..   | 43               | 43            | 43                 | 43            | 21               | 31            | 101                        | 60                         | 65        | 31/10                               | 48                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 14 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 101                        | 61                         | 61        | 31/10                               | 48                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 21 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 101                        | 61                         | 61        | 31/10                               | 48                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | 142/6 to 44/                      |
| " 28 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 101                        | 63                         | 62        | 31/10                               | 47                            | 32/                                  | 32/6                                | 25/                                | 20/                          | 35/                            | 42/6                        | 37/6                   | ..                                |
| June 2 ..  | 43               | 43            | 43                 | 43            | 21               | 31            | 102                        | 65                         | 65        | 31/10                               | 47                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 9 ..     | 44               | 44            | 44                 | 44            | 21               | 31            | 102                        | 65                         | 65        | 31/10                               | 47                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 18 ..    | 44               | 44            | 44                 | 44            | 21               | 31            | 103                        | 65                         | 63        | 31/10                               | 47                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | 150/ to 47/                       |
| " 25 ..    | 44               | 44            | 44                 | 44            | 21               | 31            | 105                        | 65                         | 62        | 33/-                                | 47                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 30 ..    | 5                | 4             | 4                  | 4             | 21               | 31            | 105                        | 64                         | 60        | 33/10                               | 47                            | 32/6                                 | 32/6                                | 25/                                | 20/                          | 35/                            | 42/6                        | 37/6                   | ..                                |
| July 7 ..  | 58               | 47            | 47                 | 47            | 21               | 31            | 106                        | 63                         | 60        | 33/10                               | 46                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | 150/ to 47/                       |
| " 16 ..    | 58               | 47            | 47                 | 47            | 21               | 31            | 107                        | 64                         | 60        | 35/-                                | 46                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 23 ..    | 5                | 4             | 4                  | 4             | 21               | 31            | 108                        | 64                         | 60        | 34/10                               | 46                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 30 ..    | 5                | 4             | 4                  | 4             | 21               | 31            | 108                        | 64                         | 60        | 34/10                               | 46                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| Aug. 6 ..  | 47               | 47            | 47                 | 47            | 21               | 31            | 108                        | 64                         | 60        | 34/10                               | 46                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 13 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 108                        | 64                         | 60        | 34/10                               | 46                            | 32/                                  | 32/                                 | 25/6                               | 20/                          | 35/                            | 50/                         | 40/                    | ..                                |
| " 20 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 112                        | 64                         | 60        | 34/-                                | 46                            | 31/6                                 | 31/                                 | 25/6                               | 20/                          | 35/                            | 50/                         | 40/                    | ..                                |
| " 26 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 112                        | 64                         | 60        | 34/-                                | 46                            | 30/6                                 | 30/6                                | 25/6                               | 20/                          | 35/                            | 50/                         | 40/                    | ..                                |
| Sept. 3 .. | 43               | 43            | 43                 | 43            | 21               | 31            | 112                        | 64                         | 60        | 34/-                                | 45                            | ..                                   | ..                                  | ..                                 | 19/6                         | 34/6                           | 48/                         | 40/                    | 150/ to 45/                       |
| " 10 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 115                        | 64                         | 60        | 34/10                               | 45                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 17 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 117                        | 64                         | 60        | 34/10                               | 44                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 24 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 118                        | 64                         | 60        | 34/10                               | 45                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| Oct. 1 ..  | 43               | 43            | 43                 | 43            | 21               | 31            | 118                        | 64                         | 60        | 34/10                               | 45                            | 29/6                                 | 29/6                                | 25/                                | 19/9                         | 34/6                           | 44/                         | 32/6                   | 150/ to 45/                       |
| " 8 ..     | 43               | 43            | 43                 | 43            | 21               | 31            | 116                        | 64                         | 60        | 35/5                                | 45                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 15 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 116                        | 64                         | 60        | 36/-                                | 41                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 22 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 116                        | 64                         | 60        | 36/-                                | 41                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 29 ..    | 43               | 43            | 43                 | 43            | 21               | 31            | 116                        | 64                         | 60        | 36/5                                | 44                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| Nov. 5 ..  | 53               | 51            | 51                 | 51            | 31               | 41            | 116                        | 64                         | 60        | 37/-                                | 44                            | 28/6                                 | 28/                                 | 25/                                | 19/                          | 34/                            | 44/                         | 36/                    | 152/6 to 47/6                     |
| " 13 ..    | 53               | 51            | 51                 | 51            | 31               | 41            | 116                        | 64                         | 60        | 36/10                               | 44                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 19 ..    | 53               | 51            | 51                 | 51            | 31               | 41            | 116                        | 64                         | 60        | 36/10                               | 44                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| " 26 ..    | 53               | 51            | 51                 | 51            | 31               | 41            | 115                        | 64                         | 60        | 36/10                               | 43                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                |
| Dec. 3 ..  | 53               | 51            | 51                 | 51            | 31               | 41            | 110                        | 64                         | 60        | 39/-                                | 45                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | 150/ to 47/                       |

(a) Short- and long-berried wheat, sparrowbill and Danish oats, beans, partridge and blue peas are quoted on spot and ex granary.

(b) Kauri-gum is quoted for pale amber and bush classes to common pickings.

(c) Cocksfoot new season's crop was first quoted on London market. Quotations are relative to 17 lb. bright clean-dressed seed.

(d) No New Zealand cheese available. Canadian cheese is quoted in the High Commissioner's cables from 6th August to 3rd December, 1907, at from 61s. to 64s. per cwt.

(e) No New Zealand lamb was on offer in London from 3rd December, 1906, to 14th January, 1907. The prices quoted are nominal, being on a par with "Australian" new season's.

*Cablegrams from the High Commissioner for New Zealand showing the Average Prices quoted in the United Kingdom for the undermentioned Principal Lines of New Zealand Produce, 1906-7—continued.*

| Date.       | Lamb, per Pound. |               | Mutton, per Pound. |               | Beef, per Pound. |                | Butter, per Hundred-weight. | Cheese, per Hundredweight. |           | New Zealand Hemp, on Spot, per Ton. | Cocksfoot, per Hundred-weight. | (a) Short-berried Wheat, per 496 lb. | (a) Long-berried Wheat, per 496 lb. | (a) Sparrow-bill Oats, per 384 lb. | (a) Danish Oats, per 320 lb. | (a) Beans, f.a.q., per 504 lb. | Partridge Peas, per 504 lb. | Blue Peas, per 504 lb. | (c) Kauri-gum, per Hundred-weight. |
|-------------|------------------|---------------|--------------------|---------------|------------------|----------------|-----------------------------|----------------------------|-----------|-------------------------------------|--------------------------------|--------------------------------------|-------------------------------------|------------------------------------|------------------------------|--------------------------------|-----------------------------|------------------------|------------------------------------|
|             | Carton-bury.     | North Island. | Carton-bury.       | North Island. | Hind-quarters.   | Fore-quarters. |                             | White.                     | Coloured. |                                     |                                |                                      |                                     |                                    |                              |                                |                             |                        |                                    |
| 1906.       |                  |               |                    |               |                  |                |                             |                            |           |                                     |                                |                                      |                                     |                                    |                              |                                |                             |                        |                                    |
| Dec. 11 ..  | d. 6½            | d. 4½         | d. 4½              | d. 4½         | d. 3½            | d. 3½          | 110/                        | 60/                        | 60/       | 39/-                                | 45/                            | 28/6                                 | 29/                                 | 25/                                | 19/                          | 33/                            | 40/                         | ..                     | ..                                 |
| " 17 ..     | 6½               | 4½            | 4½                 | 4½            | 4                | 3½             | 113/                        | 60/                        | 60/       | 39/-                                | 47/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| " 24 ..     | 5½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 111/                        | 60/                        | 60/       | 38/-                                | 47/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| " 31 .. (a) | 5½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 110/                        | 60/6                       | 60/6      | 38/-                                | 47/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| 1907.       |                  |               |                    |               |                  |                |                             |                            |           |                                     |                                |                                      |                                     |                                    |                              |                                |                             |                        |                                    |
| Jan. 7 ..   | 5                | 4½            | 4½                 | 4½            | 3½               | 3½             | 108/                        | 62/                        | 62/       | 38/10/                              | 47/                            | 28/6                                 | 29/6                                | 25/                                | 19/                          | 32/6                           | 40/                         | ..                     | ..                                 |
| " 14 ..     | 4½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 107/                        | 63/                        | 63/       | 39/1                                | 48/                            | 28/6                                 | 29/6                                | 25/                                | 19/                          | 32/6                           | 40/                         | ..                     | ..                                 |
| " 21 ..     | 6½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 106/                        | 63/                        | 63/       | 39/-                                | 48/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | 140/ to 45/                        |
| " 28 ..     | 6                | 4½            | 4½                 | 4½            | 3½               | 3½             | 105/                        | 63/                        | 63/       | 39/-                                | 48/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| Feb. 4 ..   | 6                | 4½            | 4½                 | 4½            | 3½               | 3½             | 104/                        | 64/                        | 64/       | 40/-                                | 48/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| " 11 ..     | 6½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 103/                        | 65/                        | 65/       | 39/10/                              | 48/                            | 28/6                                 | 29/6                                | 25/                                | 18/                          | 32/                            | 40/                         | ..                     | ..                                 |
| " 18 ..     | 5½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 101/                        | 66/                        | 66/       | 39/10/                              | 48/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | 142/6 to 45/                       |
| " 25 ..     | 5½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 99/                         | 66/                        | 66/       | 38/-                                | 48/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| Mar. 4 ..   | 5½               | 4½            | 4½                 | 4½            | 3½               | 3½             | 99/                         | 66/                        | 66/       | 39/-                                | 48/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| " 11 ..     | 5                | 4½            | 4½                 | 4½            | 3½               | 3½             | 99/                         | 65/6                       | 65/6      | 38/-                                | 50/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| " 18 ..     | 5                | 4½            | 4½                 | 4½            | 3½               | 3½             | 100/                        | 65/6                       | 65/6      | 37/10/                              | 50/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |
| " 25 ..     | 5                | 4½            | 4½                 | 4½            | 3½               | 3½             | 101/                        | 65/                        | 65/       | 37/1                                | 52/                            | ..                                   | ..                                  | ..                                 | ..                           | ..                             | ..                          | ..                     | ..                                 |

(a) Short- and long berried wheat, sparrowbill and Danish oats, beans, partridge and blue peas are quoted on spot and ex granary.

(b) Kauri-gum is quoted for pale amber and bush classes to common pickings.

(c) No New Zealand lamb was on offer in London from 3rd December, 1906, to 14th January, 1907. The prices quoted are nominal, being on a par with "Australian" new season's.

Table showing the Average Prices realised Monthly in London for the undermentioned Principal Lines of New Zealand Produce during the Years 1905-6-7.

| Month.    | Lamb, per Pound. |               | Mutton, per Pound. |               | Beef, per Pound.*<br>Hindquarters. |             | Butter, per Hundred-<br>weight. |           | Cheese, per<br>Hundredweight. |           | Hemp, on spot, per Ton. |               | Cocksfoot, per<br>Hundredweight. |          |
|-----------|------------------|---------------|--------------------|---------------|------------------------------------|-------------|---------------------------------|-----------|-------------------------------|-----------|-------------------------|---------------|----------------------------------|----------|
|           | Canterbury.      | North Island. | Canterbury.        | North Island. | 1905.                              | 1906.       | 1907.                           | 1905.     | 1906.                         | 1907.     | £ s.                    | £ s.          | £ s.                             | s.       |
| January   | 6½<br>d. 4½      | 6½<br>d. 4½   | 4½<br>d. 4½        | 4½<br>d. 4½   | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 101<br>s. | 114<br>s.                     | 107<br>s. | 31 0<br>£ s.            | 32 0<br>£ s.  | 39 0<br>£ s.                     | 50<br>s. |
| February  | 6½<br>d. 5½      | 6<br>d. 5½    | 4½<br>d. 4½        | 4½<br>d. 4½   | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 102<br>s. | 106<br>s.                     | 102<br>s. | 30 15<br>£ s.           | 33 0<br>£ s.  | 39 0<br>£ s.                     | 51<br>s. |
| March     | 6<br>d. 5½       | 5½<br>d. 4½   | 4½<br>d. 4½        | 4½<br>d. 4½   | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 106<br>s. | 103<br>s.                     | 100<br>s. | 30 0<br>£ s.            | 32 10<br>£ s. | 38 0<br>£ s.                     | 51<br>s. |
| April     | 5½<br>d. 5       | 5½<br>d. 4½   | 3½<br>d. 3½        | 4½<br>d. 4    | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 103<br>s. | 100<br>s.                     | 98<br>s.  | 28 10<br>£ s.           | 32 0<br>£ s.  | 34 0<br>£ s.                     | 53<br>s. |
| May       | 5½<br>d. 4½      | 5½<br>d. 4½   | 3½<br>d. 3½        | 3½<br>d. 4    | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 94<br>s.  | 101<br>s.                     | 99<br>s.  | 27 10<br>£ s.           | 31 10<br>£ s. | 35 0<br>£ s.                     | 53<br>s. |
| June      | 5½<br>d. 4½      | 5½<br>d. 4½   | 3½<br>d. 3½        | 4<br>d. 3½    | 3½<br>d. 3½                        | 3½<br>d. 3½ | 4<br>d. 3½                      | 97<br>s.  | 104<br>s.                     | 99<br>s.  | 26 0<br>£ s.            | 32 0<br>£ s.  | 34 0<br>£ s.                     | 53<br>s. |
| July      | 5½<br>d. 5½      | 5½<br>d. 4½   | 3½<br>d. 3½        | 4<br>d. 3½    | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 101<br>s. | 106<br>s.                     | 99<br>s.  | 27 0<br>£ s.            | 34 10<br>£ s. | 35 0<br>£ s.                     | 53<br>s. |
| August    | 5½<br>d. 4½      | 5½<br>d. 4½   | 3½<br>d. 3½        | 4<br>d. 3½    | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | None      | 112<br>s.                     | ..        | 28 0<br>£ s.            | 34 0<br>£ s.  | ..                               | 53<br>s. |
| September | 5<br>d. 4½       | 4½<br>d. 4½   | 3½<br>d. 3½        | 3½<br>d. 3½   | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | None      | 115<br>s.                     | ..        | 29 10<br>£ s.           | 34 10<br>£ s. | ..                               | 53<br>s. |
| October   | 4½<br>d. 4½      | 4½<br>d. 4½   | 3½<br>d. 3½        | 3½<br>d. 3½   | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | ..        | 117<br>s.                     | ..        | 30 10<br>£ s.           | 36 0<br>£ s.  | ..                               | 51<br>s. |
| November  | 4½<br>d. 5½      | 4<br>d. 5½    | 3½<br>d. 4½        | 3½<br>d. 4½   | 3½<br>d. 4½                        | 3½<br>d. 4½ | 3½<br>d. 4½                     | 114<br>s. | 116<br>s.                     | ..        | 31 0<br>£ s.            | 38 0<br>£ s.  | ..                               | 51<br>s. |
| December  | 4½<br>d. 6       | 4<br>d. 6     | 3½<br>d. 4½        | 3½<br>d. 4½   | 3½<br>d. 3½                        | 3½<br>d. 3½ | 3½<br>d. 3½                     | 117<br>s. | 111<br>s.                     | ..        | 31 10<br>£ s.           | 38 10<br>£ s. | ..                               | 51<br>s. |

\* Beef forequarters average 1d. per lb. less than hindquarters.



I append a few remarks regarding the past and prospective markets for the principal items mentioned in the foregoing table.

*Wool.*—Competition for our output of wool has been keen throughout the season's sales, and the prospects for next season's supplies are bright. There has, it is true, been a weakening of prices in coarser grades at the closing sales, yet the demand generally has been good, and there has been no evidence that the market has been satisfied.

One interesting feature of the wool-sales during the last five years has been the change in relative values of merino and crossbreds. In 1902 merino was worth about £5 per bale more than crossbred; from that year to date a gradual reversion has taken place, with the result that the 1906 sales have shown that the crossbred value per bale has exceeded the value of merino by £1 5s. to £1 10s. The turning-point appears, however, to have again been reached, the latest advices showing a clear improvement in the finer grades and a relative decline in the coarser.

The following statistics, showing the decrease of the number of sheep throughout the world, have a very direct bearing on the wool-market. These figures go to show that there has been a reduction in the number of sheep amounting to forty million in ten years, and consequently a very heavy falling-off in wool-supplies, while the demand has increased, hence the high prices recently realised.

|                                              | 1895.       | 1905.       |
|----------------------------------------------|-------------|-------------|
| North America ... ..                         | 51,223,983  | 50,631,619  |
| South America ... ..                         | 102,847,134 | 99,998,573  |
| Europe (including Asiatic Russia) ... ..     | 198,194,214 | 186,871,991 |
| Asia (except China and Asiatic Russia)... .. | 21,957,752  | 19,043,711  |
| Africa ... ..                                | 31,890,052  | 27,452,722  |
| Australasia ... ..                           | 120,770,000 | 103,000,000 |
| Totals ... ..                                | 526,867,135 | 486,998,556 |

Net decrease just under 40,000,000.

NOTE.—Figures for North America and Australasia are to year ending 31st December, 1906.

*Lamb and Mutton.*—These two commodities both show a large increase, and the prices realised have been satisfactory. It is also gratifying to note that exports of meat from New Zealand head the London market, lamb averaging in many cases 1d. per pound and mutton  $\frac{3}{4}$ d. per pound over Australian and Argentine shipments.

At the beginning of the season a leading meat-salesman in London reported that there had been very keen competition for the few available New Zealand lambs; one small parcel was reported to have changed hands at  $7\frac{1}{4}$ d. per pound, and a small consignment of North Island realised  $7\frac{1}{2}$ d. to  $7\frac{3}{4}$ d. per pound.

*Beef.*—Better prices have been obtained for beef shipped during the year, and it will be noted that hindquarters have latterly averaged about  $3\frac{3}{4}$ d. and forequarters  $3\frac{1}{4}$ d. per pound. The increase in weight shipped amounted to 165,729 cwt.

*Salted Beef.*—It will be noted that this commodity is increasing in value, the bulk of shipments going forward to the north of England and Scotland.

*Live-stock.*—The small decrease in the value of exports is accounted for by the fact of the high prices ruling for stock, and also the increase in shipments of frozen meat.

*Preserved Meats.*—Notwithstanding the Chicago scandals, it is gratifying to note that the increase in preserved meats for last year was 14,523 cwt.

*Rabbits and Hares.*—The demand for New Zealand frozen rabbits and hares has not been quite so keen during the year. The largely increasing shipments from Australia, and the consequent lowering of prices, has no doubt affected the New Zealand export trade in these lines. Shipments to West Coast of England ports are, however, now increasing.

*Bacon and Hams.*—The export trade in these lines has never been a large one, and the small increase may be accounted for by increased export to the islands. Great care has to be taken in packing the New-Zealand-cured article for export to warm climates; double cloths and husks and thick layers of coarse salt have to be used in practically all cases.

*Hides.*—A steady demand has been experienced throughout the year from Australia and the United Kingdom. This is doubtless due to the high class of hides shipped. In Australia competition is very keen, New Zealand hides being used for the manufacture of best leather.

*Sheep and Rabbit Skins.*—The demand has been very keen throughout the whole season for all classes of skins and sheep pelts, both from the United Kingdom, the United States of America, and Canada, and it is a notable fact that, although the decrease in the number of skins shipped amounted to 2,094,899 skins, the increase in value as tabulated is £94,668, which, of course, goes to prove the enhanced values that importers are ready to pay for shipments from here.

*Tallow.*—All markets have been particularly firm throughout the year, and prices have maintained a high level. Although the increase in weight amounted to 6,579 tons only, the increase in value—namely, £205,382—is a matter for congratulation.

*Sausage-skins.*—The demand for casings is mostly confined to America, and standing orders are held by some of the largest packers to ship as much of their output as possible to that country.

*Butter.*—There has been particularly keen competition in the United Kingdom butter trade, and it is gratifying to note that owing to the excellent quality of the New Zealand article it stands second only to Danish as far as imported butters are concerned. Prices average from 4s. to 7s. per hundredweight over the productions of Australia, Argentine, and Siberia, this notwithstanding the time occupied in transit. At the beginning of October prices touched 118s., and the lowest recorded for the year ending the 31st March was 99s.

Many British buyers visit this country annually, and a number of the larger firms maintain permanent representatives here. The greater portion of last season's butter was sold to buyers

locally at prices averaging 10½d. per pound f.o.b., which is equivalent to 98s. per hundredweight c.i.f. London or West Coast of England ports. This price was so favourable that a comparatively small number of factories risked consigning.

It is gratifying to note that the exports of saltless butter, which lends itself so admirably for the "faker's" purposes, have decreased to a considerable extent, and that, instead of getting top market price during the past season, consignors in some cases had to accept as much as 3s. per hundredweight less than the price obtained for choice New Zealand salted butter.

Reference was made in the Department's 1906 report to the Sale of Butter Bill, which had failed to pass the Imperial Parliament on four occasions. On the 21st February last the British Department of Agriculture introduced an amended Bill, which provides for the registration and inspection of factories where butter is blended or reworked, or where butter-substitutes are made. The Bill also empowers the authorities of the Board of Agriculture to enter any unregistered premises if there is a belief that inspection is desirable. The percentage of moisture in butter, whether British-made or imported, is limited by the Bill to 16 per cent., and in milk-blended butter 24 per cent. The latter must be delivered to the purchaser in a wrapper bearing a printed description of the article. This Bill has passed the House of Commons. If it becomes law it is doubtful whether it will be of material service to New Zealand manufacturers, as it recognises that butter-blending is a legitimate trade, and simply aims at placing a maximum on the percentage of moisture and establishing a system of inspection of the factories where blending is carried on.

*Cheese.*—This industry is rapidly expanding, the increase in weight exported last year being 55,088 cwt. The demand for white and coloured makes appears fairly equal, sometimes coloured having an advantage of two or three shillings a hundredweight over white, and on other occasions *vice versa*. It is gratifying to note that prices for the New Zealand article, which have been on a par with the manufactures of Canada for many months past, now exceed those of our chief colonial competitor by 3s. to 5s. per hundredweight.

*New Zealand Hemp.*—This manufacture has been in a very satisfactory position during the past year, but unfortunately the supply has not been equal to the demand coming from the United Kingdom, Canada, the United States, Continent of Europe, Japan, and other countries. The increase in export was 1,351 tons more than the quantity shipped for the year ending March, 1906, and the highest price realised during the year was £41 per ton for good fair grade on spot, which came within £2 10s. of the price quoted for fair current manila at the same time. Fair-grade hemp is now being shipped to Great Britain in large quantities, and practically has a market to itself, the difference in price being but £3 per ton less than that realised for good fair grade.

*Tow.*—The refuse product in the manufacture of hemp has risen both in quantity exported and also in value in a phenomenal way. A few years ago millers were burning this article to get rid of it, as the £2 to £2 10s. offered f.o.b. here hardly paid for baling-up. Now there is so great a demand from the United Kingdom, America, and also Japan, that this product touched the high figure of £13 per ton f.o.b., with more buyers than sellers. The total quantity exported amounted to 6,554 tons, being an increase in weight of 2,606 tons, which may be considered as being very satisfactory.

I am of opinion that insufficient care is taken to insure hemp and tow being placed on the markets of the world in an attractive condition. Remarking on the liability of tow to take fire whilst in transit to oversea markets, the Commissioners appointed to inquire into fires on wool-ships write as follows: "The question of covering tow for shipment has been prominent throughout the investigation, and the evidence as to the utility of the practice is somewhat conflicting.

In our opinion it would be an advantage if bales of flax or tow were covered, and we are of opinion that tow should be inspected." I have for some time been of the opinion that all tow and flax exported should be covered with jute, hessian, or some such material, not so much as a protection against fire risks as to preserve the bright, clean appearance of the produce from being destroyed, as is now largely the case. I am convinced that the dirty, stained, and crushed appearance that the hemp exhibits in a large number of cases operates in no small degree against its favourable reception by British and continental merchants. I consider it would pay the millers well to cover their hemp and tow, and thus insure these products being placed on the markets in a presentable condition.

Dumping the bales of flax is also largely responsible for their very dilapidated appearance when put on foreign markets. When in Liverpool I saw New Zealand flax which had been dumped lying in the dock sheds: there was absolutely no semblance of bales, merely an aggregation of crushed and dirty hanks, which from their general appearance one would not have picked up from a rubbish-heap. As flax is carried at weight-rates shippers should, I consider, insist on their consignments being conveyed undumped. Even at a higher rate of freight I consider that this course would prove of decided commercial advantage.

*Timber.*—During the year ending 1906-7 over 147 million feet of timber were shipped from New Zealand to the United Kingdom and Australia, and inquiries are now being received by the Department from various European centres regarding prices at which our timber can be landed there. Demands for white-pine have set in from the West Coast of England ports, and monthly shipments are being despatched thereto. The decrease shown for the year 1907 as against the previous year is very small, amounting only to 3,500,000 feet, or a value of £14,436. The decrease in shipment is largely accounted for by the fact that the building trade of New Zealand has been very active.

In order to foster an extensive trade in New Zealand woods the Department has had special samples prepared, together with a list of current prices. Full sets of samples have been delivered to the High Commissioner in London, and also the Australian and Chicago agencies, who are therefore now enabled to give prompt information to inquirers.



*Kauri-gum*.—The United Kingdom and American markets for kauri-gum have maintained a steady position throughout the year. This industry is claiming the attention of outside markets, and to further its interests I have forwarded the latest standard samples to the High Commissioner in London, and also to the British Consul at Chicago and to the Philadelphia Commercial Museum.

The prices realised at the London monthly auction sales show that values have not fluctuated more than 5s. per cwt. in all classes during the period under review. Fair to good pale and amber scraped grade has been quoted from £7 5s. to £7 per cwt., and the lowest class quoted—viz., “pickings, common to good”—has realised from £2 2s. to £2 7s. per cwt.

*Fungus*.—It is interesting to note that this export has increased by the sum of £1,905, the main export trade being with China.

Samples of fungus were forwarded to the Liverpool and Irish Exhibitions, and the Press have commented on this unique exhibit. In one case it was classified under the name of “a novelty which the Chinese mix with soup-preparations.”

*Gold*.—The export of gold again shows a considerable increase, 26,072 oz., valued at £102,911, being the amount exported over and above the year 1906.

*Silver*.—The increase of £22,337 is larger than usual, but is accounted for to a great extent by the calling-in of old and defaced coins which have been exported to the British Mint.

*Coal*.—The export of New Zealand coal increased by the amount of £18,225. The Admiralty renewed their contract with New Zealand for a further period of twelve months.

*Minerals*.—An increase of £12,288 discloses the fact that sundry mineral resources are being further developed.

In *Grain*, *Grass-seeds*, *Peās*, *Flour*, *Bran* and *Pollard*, *Hops*, *Potatoes*, and *Fodder* a decrease is shown all round, with the exception of *Barley*, which has been inquired for principally from Australia; this shortage being due to large areas of land which formerly were under grain now being used for pastoral purposes.

The small quantities of *Wheat* and *Oats* that have been sent to the United Kingdom have averaged satisfactory prices, and *Beans* and *Peas* have made a ready sale on British and foreign markets.

The export of *Potatoes* has been greatly limited for the past two seasons, owing to blight which affected practically the whole of the crops in the country, and the consequent scarcity caused prices to reach a very high figure.

The export trade in *Flour* is only a small one, owing to the fact that our near neighbour, Australia, has since the end of the drought been able to quote lower than New Zealand millers.

A steady shipping trade is done in *Bran* and *Pollard*.

The shipments of *Cocksfoot* that have gone forward to British markets have given general satisfaction, and reports indicate that the seed has been well cleaned. The market greatly depends on American supplies, which were erratic during the year now under consideration, and New Zealand cocksfoot consequently fluctuated in sympathy from £2 4s. to £2 18s. per hundredweight.

*Fish and Oysters*.—Exporters of frozen fish and oysters depend greatly on Australia for their market, but the duty imposed by Australia—namely, 1d. per pound on fish and 2s. per hundred-weight on oysters—retards business.

#### EXPORT OF FRESH FRUIT.

Last year a successful exhibit of New Zealand apples was made in London at the Royal Horticultural Society's show, and the reports received were highly commendatory. Trade papers referred to the New Zealand apple exhibit as being “particularly fine,” and that some “beautiful specimens” were forwarded. Notwithstanding this advertisement of New Zealand fruit, it is regrettable to note that the value of the total exports for the year amounted to £115 only, and I am of the opinion that special methods should be adopted to cultivate this particular trade.

Tasmania, for instance, ships apples *via New Zealand* to Monte Video, Rio Janeiro, and London at regular intervals, and on the arrival of the carrying-vessel at Auckland, Wellington, or Lyttelton, as the case may be, the fruit is transhipped to the earliest steamer leaving from one of our main ports on her homeward voyage *via South America*.

It may interest those concerned to note that, against the £115 value of all fresh fruit from New Zealand, our near neighbour, Tasmania, shipped last year:—

|                                   | Bushels.  | Value.<br>£ |
|-----------------------------------|-----------|-------------|
| Apples and pears                  | 1,121,250 | 225,000     |
| Fruit other than apples and pears | 273,800   | 63,900      |
|                                   | 1,395,050 | £288,900    |

## 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.

The Canadian market for raw products must in the meantime be sought in Eastern Canada, although the propriety of taking advantage of the facilities of importing hemp which I have been able to demonstrate has caused many of my visitors to discuss the advantages which would follow from the manufacturing of cordage here. The New Zealand rugs drew many commendations, and they will doubtless prove a much acceptable article of commerce in the colder East. What is snow in the Eastern winter is changed to rain in British Columbia.

I regard the prospects of trade between Western Canada and New Zealand as very promising indeed. In more than one instance it has been suggested that retail stores should be opened by the New Zealand Government. In such instances I have found it necessary to point out that the New Zealand Government are not traders, but that the object of the Government is to assist traders in New Zealand to find outside expanding markets, and by subsidising steamboats and also by other means to endeavour to put the traders of New Zealand in a position to compete successfully with their competitors in other countries.

T. E. Donne, Esq., Industrial and Commercial Department, Wellington.

SIR,—

Winnipeg, 15th December, 1906.

I have the honour to report that I have now finished my mission in Winnipeg. This is a city of great development, in five years the population has doubled; in a corresponding period the population of the Province of Manitoba has increased from 255,211 to 365,848. The total population of the three north-west provinces of Manitoba, Saskatchewan, and Alberta in 1901 was 419,512, and in 1906, 806,928. Winnipeg now has a population of 90,204; Calgary, 11,967; Edmonton, 11,163; and Brandon, 10,411.

The merchants here apparently believe in combination, and so arrange their businesses that one man controls the market. The methods of payment are generally spot-cash.

The quality of New Zealand canned goods gave every satisfaction. I am convinced that there is a large trade to be done in canned meats and jams, if our manufacturers can successfully compete in prices against local competitors, and obtain cheap rates for conveying their goods to this market; but I am afraid that Winnipeg is too far inland to obtain very cheap transportation by rail.

As regards mutton and tallow, they will find here a large outlet if New Zealand merchants can deliver the goods as cheaply as do the Australian merchants, because New Zealand mutton has a good reputation among Canadian butchers, who are aware of the price it fetches in London.

As regards quantities, a leading meat-importer in Winnipeg writes me that if there were sufficient refrigerating-space the local consumption of mutton could be 25,000 more carcasses for immediate shipment than at present. During the past two months he bought 25,000 carcasses of frozen Australian mutton. He thinks that 100,000 carcasses could easily be imported for use in Eastern Canada.

As Winnipeg is yet little more than a handling centre, with but few factories, there is no local demand for flax, wool, &c.

During my stay much space has been devoted to my visit by the local papers, and visitors have been numerous. Many have made inquiries about New Zealand with a view to visit it as tourists, or to settle in the Islands as permanent residents.

T. E. Donne, Esq., Wellington.

SIR,—

Toronto, 9th January, 1907.

This is rather an awkward time to travel through Canada, the weather being very severe. In the West, snow is 8 ft. deep. I have been delayed here for the want of my samples, but the Railway Department have been very obliging, and they have done their best to assist me. I sent away my samples from Winnipeg on the 20th December, but the train got snowed up somewhere. The manager wired to all the principal stations on the line to find out the car that contained my samples, and they found it after a lot of trouble, and brought them in yesterday by the express train.

I have kept myself busy, visiting and being introduced to the members of the Manufacturers' Association. I think there will be a great development of business between the two countries. The merchants appear to take a great interest in my work, and state that they would assuredly prefer to do business with us than with the United States.

Mr. Oliver Brainbridge gave a lecture here on his trip to the Southern Seas. He opened his address by referring to New Zealand, and exhibited by lantern a good many pictures of New Zealand, and since that night I have had visitors inquiring about New Zealand.

I shall have my samples on view to-morrow, and the reporters are all very eager to see them. They are astonished that we can produce and expect to export products to Canada.

T. E. Donne, Esq., Wellington.

SIR,—

Toronto, 26th January, 1907.

I am still in Toronto, and I have now the honour to report that I am kept very busy. The Canadians are generally very much interested in our country, owing to so many articles appearing in the newspapers. The Toronto *Sunday World* published an article taken from *Everybody's Magazine*, by a Mr. Russell, and it occupied a full page of the paper. Mr. Oliver Gainbridge has also given several lectures throughout Canada on New Zealand.

Toronto is the headquarters for the wool-importers, and I am glad that the assortment of samples is considered a very representative one. At any rate, the Yorkshire men say so.

I have had several people inquiring about the kauri-gum. This they buy mostly from New York. I am afraid there is no market for our tinned goods here, this city being too far inland, and also being a great beef and fruit centre.

Toronto, 14th February, 1907.

T. E. Donne, Esq., Industries and Commerce Department, Wellington.

SIR,—

Toronto is the second largest city in Canada, it containing over three hundred thousand people. It is a large commercial and industrial centre, there being over \$7,000,000 manufacturing capital invested, and the total assessment for last year was nearly \$170,000,000.

It proved a great assistance having letters of introduction to various associations and clubs. I have had the pleasure of addressing these gatherings on several occasions, the members giving me a hearty reception and doing all in their power to make my visit to Toronto a success. Through these clubs I was able to meet the principal wool and flax importers and other gentlemen who appeared to be anxious to get information about our country in order to commence trade with her.

The wool-samples have given great satisfaction, the experts having declared that the variety and quality was exactly suitable for the Canadian market. Several of the importers said they would now only import New Zealand wool, one firm alone expecting to import at least 60,000 pounds' worth during 1907.

Several of the cordage-manufacturers examined the samples of flax, and they state that they have neither seen nor handled such a high quality of New Zealand flax as the "superior grade." The grades which they find most suitable for their requirements are the "good fair" and "fair." I asked if they could recommend or advise the Government experts in any way as to how the fibre may be improved for this country, but they stated they were highly satisfied and could offer no suggestions. They said that, providing the shippers deliver the flax according to the grades, of which I have samples, the buyers would have no cause to complain.

I have had several inquiries about the kauri-gum, and gave the names of exporters so that they could open up correspondence direct.

As regards the tinned goods, this city is too far inland and too great a beef and fruit centre to be particularly interested in them. However, I have given away samples of our goods, and the report is that they are the best that people have tried. As previously written you, a trade might be developed between our country and the most westerly part of Canada in this line.

Concerning statistics, I find it will be a difficult matter to get figures of the goods exported to and from New Zealand by Canada.

The exporters of the eastern part of this country forward their goods by New York, and the wool and flax merchants have their agents in London buying their requirements.

There is a great wave of prosperity passing over Canada at the present time, it having commenced about eight years ago, and from the present outlook it is likely to continue for some time yet. Emigrants are pouring into the country from Britain and filling up the North-west, a place very cold in winter but suitable for agricultural pursuits. Within the last year big discoveries of minerals have been made in this province. There appears to be a large deposit of silver and copper, and although there is a boom at present there can be no doubt as to the wealth of these resources.

In conclusion, I would say that I am convinced a large volume of trade can and will be done direct with Canada, especially when the importers realise the value of saving time by using subsidised steamers. There is an inclination on the part of the wool-buyers to combine and to try and arrange to bring their wool direct, but it may take some little time to make arrangements.

The following are extracts from a number of letters received by the Trade Commissioner from commercial firms in Canada:—

Winnipeg, Canada, 4th December, 1906.

I note it is your intention to ascertain if it would be profitable to establish a line of refrigerating steamers between New Zealand and Canada, and wish to know what the prospects are for doing business in Central Canada.

For your private information I might state that I am now importing large quantities of goods from various countries, which class of goods I understand are produced in New Zealand, and can be profitably sold in Central Canada providing you had proper shipping facilities.

Some of the goods I am importing from different countries are as follows: Butter, eggs, lambs, tallow, jam, and honey.

Canada is not producing anywhere near sufficient mutton and lamb to supply the home consumption, and we have been forced to seek new fields for our supply. Australia has seen fit to bid for this business, and in the last two months one firm in Australia has sold us approximately 25,000 carcasses of frozen mutton. We can handle from 25,000 to 50,000 more carcasses of mutton for immediate shipment; but, owing to the limited refrigerating-space on steamers from Australia, they are only able to carry between 3,000 and 4,000 carcasses at a trip, which means that it will take the steamship company running from Australia until the 1st April to deliver the 25,000 carcasses already purchased.

When I say we can handle 25,000 carcasses more of frozen meat providing we had the refrigerating-space, that means for consumption in the immediate vicinity of Winnipeg; but I have no doubt I could place 100,000 carcasses for distribution in Eastern Canada. As a matter of fact, I am prepared at any minute to make a contract for 100,000 carcasses of frozen lambs and mutton for immediate shipment.

*Canned Mutton.*—This article is also used to a great extent in Canada, and our canning factory in Canada cannot secure sufficient mutton for canning purposes to supply the demand. I could place at least 20,000 to 25,000 cases a year.

*Tallow and Soap-grease.*—I am always importing this article from other countries, and can handle from 250,000 to 500,000 lb. a month. As a matter of fact, I have imported considerably more than the above amount per month during the last year.

*Honey.*—This article I import mostly from California, packed in barrels, 50 lb. tins, 10's, 5's, and 3's. I can handle approximately 50,000 lb. per month.

If you would kindly communicate with some of the leading exporters of the above lines and have them arrange to quote me a c.i.f. price in bond, I can assure you, prices and quality being equal, I could give them the business.

I feel quite satisfied that after you have interviewed the leading people in Canada you will be convinced that the Canadians, on the whole, would much prefer dealing with New Zealand and other British colonies than to import from other countries such as the United States, South America, &c.

Victoria, B.C., 23rd November, 1906.

Bearing on our previous week's conversation, I would further say, if any hope exists of shipping facilities for the handling of dressed meats between the two countries I beg of you to keep me advised, and I would also take it as a favour if you would then put me in touch with the right people in your country who would do the right thing in handling any orders placed. At the present, my firm would handle some 10,000 carcasses of frozen mutton during the months of November to April, and, with proper care and attention in shipping nothing but a first-class article, such consumption would be constantly on the increase.

I might mention that, owing to the want of sufficient refrigeration-space on the Australian steamers, J. T. Brown, of Sydney, has been compelled to refuse an order from my firm for 2,500 carcasses.

Vancouver, B.C., 15th November, 1906.

Referring to our recent conversation, I am of opinion that if we had a refrigerator-service between New Zealand ports and Vancouver it would greatly facilitate the interchange of products between the two colonies.

As you are aware, there are now some 4,000 to 5,000 carcasses of frozen mutton being shipped from Sydney to Vancouver in cool-chamber, which will be continued for four or five months.

It is my opinion that this market would take about 3,000 carcasses New Zealand mutton per month during the winter season, and about 800 to 1,000 boxes butter (56 lb.) in the same time, and I dare say there are other perishable products, such as eggs, frozen poultry, game, &c., that might be shipped here during our bare season.

And then there would be apples and other perishable products which could be shipped from here during your bare season.

I made several shipments of apples last year to Wellington, Auckland, Dunedin, and Christchurch, both in October and November, *via* Sydney, and a shipment to Dunedin in October, *via* San Francisco.

The October shipments from here were in cool-chamber, and arrived in very good condition. The November steamer had no cool-chambers, and the apples were shipped on deck, but arrived in bad order, and I met with a considerable loss.

I had some 700 boxes of butter last year shipped from Wellington and Auckland *via* San Francisco—in cool-chamber to Frisco, and from there as ordinary cargo. It arrived in good condition, as the waters are cold in winter north of Frisco.

Shipping to or from New Zealand *via* Sydney or San Francisco adds 30 to 40 per cent. to the freight and insurance charges.

If we had a direct service I have no doubt but the trade would increase gradually every year. Of course there are other firms here who would probably import and export to New Zealand in much larger quantities than I.

P.S.—I have just ordered 500 boxes butter from New Zealand to be shipped *via* San Francisco, and would order 2,000 carcasses of mutton if there was cold-storage from Frisco to Vancouver. Butter carries all right in winter, but I would not care to risk frozen mutton from Frisco here.

Vancouver, B.C., 7th November, 1906.

We have made careful inquiries into the question of hydraulic lime here. The cost of this, according to a New Zealand firm's quotation, may be brought down as low as £2 per ton f.o.b. Grahamstown. For the sake of brevity we will reckon this f.o.b. Wellington. The freight to Vancouver would be 15s. per ton, which would bring the price up to £2 15s. per ton of 2,000 lb. or \$13.38. The duty is 12½ cents per 100 lb., or \$2.50 per ton, which makes \$15.58; wharfage, 50 cents per ton, \$16.08; and insurance and other charges would bring the cost up to, say, \$16.15 per ton landed here. A barrel of 385 lb. Vancouver Portland cement sells here at \$2.35, or at per 2,000 lb. \$12.20, so that you will at once see that the margin is too great for the possibility of business. We have reckoned the cost of the New Zealand product as low as we can, and taking into consideration superior quality, although the local product gives every satisfaction and is generally used, we do not think it possible to compete. Another point to be taken into consideration is the fact that the local product is stocked here, and buyers have no difficulty in getting it. The local product competes even in Seattle with the usual quality they buy, although there is so good a local demand that the manufacturers have not had to look for an outlet. If we had to stock we should have to add more on to the price for storage.

Vancouver, B.C., 1st November, 1906.

With regard to the various lines of trade that might with advantage be pushed between Vancouver and its adjacent territory, the following points are worthy of the consideration of New Zealand merchants:—

Firstly, in taking into consideration what territory is adjacent to Vancouver, it must be borne in mind that the whole population of British Columbia is spread over a vast territory and is yet only about 500,000. The towns of Calgary and Edmonton are also really tributary to Vancouver, and taking these towns in conjunction with British Columbia the population to be catered for through this port amounts to 1,000,000 souls. This number would include the farmers and

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.

### APPENDIX III.

#### REPORT OF PRODUCE COMMISSIONER, LONDON.

SIR,— Westminster Chambers, 13 Victoria Street, London, S.W., 7th June, 1907.  
I beg to transmit herewith the Produce Commissioner's (Mr. H. C. Cameron) report as regards the work transacted through him under my direction.

The report, though dated the 16th April, has only been completed within the last day or so, owing to Mr. Cameron's time having been so heavily taken up in the work connected with the Irish International Exhibition and other special matters.

I have, &c.,  
WALTER KENNAWAY,  
For the High Commissioner.

The Right Hon. the Premier, Wellington, New Zealand.

SIR,— Westminster Chambers, 13 Victoria Street, London, S.W., 16th April, 1907.

I have the honour to submit the annual report of the work done under your direction in connection with the produce trade of the colony during the past twelve months.

The number of general reports on matters specially dealt with that have been made by me to you during that period show a considerable increase. There have been seventy-two, as against fifty-six last year, while the usual variety of subjects has been treated on.

As in former years, cablegrams advising the prices of various lines of New Zealand produce, and giving particulars concerning the condition of the markets here for same, have been despatched to Wellington regularly each week. These cablegrams have been continued on the method adopted during the previous year, and have been really full weekly market reports, which must have been of considerable use to the producers in the colony. Having kept closely in touch with the markets, I am satisfied that the quotations and particulars given must have been found as nearly accurate as it is possible to have such information. The cablegrams, of course, did not presume to indicate the future prospects of the markets.

The general work has been carried on as in former years. The amount of correspondence has shown a steady increase.

#### BUTTER.

During the past twelvemonth there has been a continued run of good markets for the sale of New Zealand butter. Prices have been remunerative throughout. In only five instances—two at the commencement of the official year and three at its close—had a lower average price to be recorded in the weekly cablegram for choicest New Zealand butter than 100s. The distribution of the butter throughout the country has been satisfactory, and, speaking generally, those handling it have been favourably impressed with the quality. I say "speaking generally," as recently there have been a few complaints made. These, however, I am inclined to attribute not so much to faults in the butter as to dissatisfaction on the part of traders with the monetary loss sustained by them through speculative purchasing at a figure above market value.

Supplies of butter from all sources have been heavy, and are expected to continue so for some time. But, although imports have been large, the general trade of the country has been good, and consumption has been satisfactory. It is anticipated that Siberia will enormously increase her output during the coming summer. So far the imports from that country for the first three months of 1907 show an increase over those for the same period of 1906.

One regrettable feature in connection with the New Zealand butter trade has been the wide margin that has existed between the price of Danish butter and of that from the colony. I am satisfied this margin should not exist. A few years ago, for three seasons, it did not. Recently it has been growing wider and wider. As I have so frequently reported, combination amongst the Danes in the method of handling their butter, so opposite to that adopted by the New Zealand producers, is the cause of their success in the markets of this country. It is to be hoped that a strong attempt will shortly be made by the New Zealand producers to effect the improvement of their market here; and, by combination, to adopt a uniform system for the disposal of their butter that will be of permanent benefit to the trade. At present no one is specially interested in the future of New Zealand butter on the English market, and, so long as producers fail to take an active interest in this, so long will their butter be at the mercy of outside influences.

#### BUTTER-ADULTERATION.

The important subject of butter-adulteration has received close attention, and all movements connected therewith have been carefully watched. A Select Committee of the House of Commons having been appointed to inquire into the question, I was asked to give evidence before it, which I did. The evidence I gave on behalf of the colony was in support of New Zealand butter being sold in this country on its merits, and of making it illegal to mix it with any extraneous matter whatever.

The Select Committee concluded its inquiry after having met seventeen times, having heard the evidence of forty-nine witnesses. A copy of the report of the Committee, which was drawn up and circulated, was forwarded to the colony. A Bill dealing with the subject of butter-adulteration has been introduced to the House of Commons by the Government, and passed the first and second readings. While all that could be desired from a colonial point of view was not supported by the Committee, the recommendations that have been made and embodied in the Bill now before Parliament will go a long way towards helping to put the trade in butter in this country on a better footing, and stopping the extensive adulteration that has been so prevalent.

The principal recommendations included the registration and inspection of all factories where butter is made or treated in any way. This will tend to prevent adulteration, especially where it is followed up by the further recommendation that "no fat other than butter-fat and no substance capable of being used as an adulterant shall be permitted in a butter-factory." No suggestion was made, however, that butter-blending should be stopped. The Committee considered that this is legitimate. They believed, however, that if registration and inspection were adopted the practice of selling colonial butter mixed with English butter as "English" would decrease. While the Bill specifies 16 per cent. as the standard of moisture permissible in butter, it is not intended that the manufacture and sale of so-called milk-blended butter shall be prevented. It is proposed, however, that 24 per cent. shall be the maximum moisture permitted in it, and that it shall be sold under a special name, as margarine now is, that will prevent its confusion with butter. While I am disappointed that the sale of this mixture is not prohibited, I am hopeful that the removal of the name "butter" from association with it may be of considerable benefit to the sale of genuine butter.

A return was issued during the year, compiled by the Board of Agriculture, giving a list of factories in England and Scotland in which butter is blended, reworked, or treated by any process, as distinguished from creameries or dairies in which butter is churned from milk or cream. From this it was learned that there are eighty-eight of these blending-factories in England and four in Scotland. There are in England twenty-one margarine factories, and in Scotland twelve. The bulk of the blending-factories are in south-western counties. There are thirteen in London. The four in Scotland are situated in Aberdeenshire.

#### DAIRY SHOW.

During October the annual show of the British Dairy-farmers' Association was held at the Agricultural Hall, Islington, when, amongst other butters in the colonial classes, entries were made of the following New Zealand brands: "Rangitikei," by Messrs. S. Page and Son; "Pakeha" and "Defiance," by Messrs. J. Nathan and Co.; "Opotiki," by Messrs. W. Weddel and Co. None of these butters, however, neither salt nor unsalted, were of sufficiently fine quality for exhibition, and they should not have been entered. Naturally, they did not receive an award.

Recognising that, with the prospect of early legislation dealing with the handling of butter on the British market, the time was opportune for an energetic effort to be made to bring the merits of New Zealand butter prominently under the notice of the consuming public in this country, I had been considering in what way this could best be done. Fortunately, I was brought into touch with a Mr. W. R. Burwell, of New Cross Gate, S.E., an artist in butter, who was able to show me specimens of fancy work he had been doing. The designs he showed me were so attractive, and appealed to me as something so novel in the way of advertisement, that I determined, if possible, on enlisting his aid in securing the object I had in view. Having received your sanction, I arranged with Mr. Burwell to have a trophy of New Zealand butter designed and built. The work was carried out most satisfactorily, and was exhibited at the Dairy Show and also at the Grocery Exhibition, where it attracted great attention and favourable comment from the large gathering of interested visitors to the hall.

#### CHEESE.

The past year has been the best experienced in the history of the New Zealand cheese trade. At the commencement the price was 63s. per hundredweight, and ever since any New Zealand cheese that has been offered on the market has been readily purchased at from 60s. to 66s. per hundredweight. The average price throughout the twelvemonth has been 63s., and present indications point to high rates ruling until the last of the New Zealand shipments for the present season are landed.

The quality of the cheese coming forward from the colony has been satisfactory. The temperatures at which the cheese-chambers on board ships are now kept—45° to 50°—are suitable, much better than those formerly maintained, and the cheese arrives in finer condition. During the year, unfortunately, one lot of cheese came under my notice the condition of which necessitated complaint. The quality of it was such that I felt doubtful of it being full-cream cheese, and this opinion was shared by those in the trade who were handling it. As, however, each case bore the stamp "Full Cream Cheese," and was graded correctly second quality, I considered it advisable to ascertain definitely concerning it. I therefore obtained your sanction to get an analysis of it made, and placed a sample in the hands of Professor Lloyd for this purpose, and for his report on it. I am pleased to say that the analysis proved undoubtedly that, though the quality was unusually bad, the cheese was made from whole milk, and not from half skim-milk as anticipated. One or two other small complaints have been made, but none of any serious import have to be recorded.

#### MUTTON.

During the past official year the average price ruling for New Zealand mutton has been almost identical with that of the previous twelvemonth. Canterbury mutton realised on an average 4½d. per pound, while that from the North Island realised 3½d. Unlike the latter part of 1905, when



prices dropped to  $3\frac{1}{2}$ d. and  $3\frac{1}{2}$ d. per pound for Canterbury and North Island respectively, in 1906 at that time prices were at their highest, reaching 5d. per pound for the former and  $4\frac{1}{2}$ d. for the latter. Values were at their lowest during the summer months, when they fell as low as  $3\frac{1}{2}$ d. per pound for Canterbury and  $3\frac{1}{2}$ d. for North Island, prices considerably lower than any experienced throughout the previous year. The unusual and extremely hot weather prevailing during the four months of June, July, August, and September was accountable for the continuance of such exceptionally depressed markets and low prices as then obtained. The shortage of supplies towards the latter end of the year, together with the expectation of continued small shipments to come forward owing to drought and other scares, caused the advance of prices that then took place. The rise experienced was considerable and continuous until the end of the financial year, resulting in the satisfactory average for the twelve months above mentioned being realised.

The past year has not been notable for any particular change in the markets of this country for New Zealand mutton. Consumption may be considered now to be steady rather than advancing, and is mainly confined to the southern districts of England. Districts served by the steamers of the direct West of England service have not been largely developed so far as the sale of the mutton is concerned.

The quality of the meat has, on the whole, been satisfactory, although as usual there have been complaints of the scarcity of small, meaty carcasses, for which there has at all times been a good and unsatisfied demand. The information given from week to week by cable has kept the producers in the colony well posted up in what has been going on in the mutton-market here during the year.

#### LAMB.

At the opening of the official year twelve months ago prices for lamb were lower than at the same time of the former year. Commencing at  $5\frac{1}{2}$ d. per pound for Canterbury lamb, and  $4\frac{1}{2}$ d. for other qualities, an unusually steady quotation ruled until the close of the lamb season, and the extreme fluctuations experienced in the preceding years were wanting. At no time did Canterbury lamb fall below  $4\frac{1}{2}$ d. per pound, while that figure only ruled for a fortnight. The new lamb season of this year has opened well. Prices from 6d. to 5d. per pound have been obtained. The average price realised for the year has been 5d. per pound for Canterbury lamb, and 4d. per pound for North Island. Unlike trade in New Zealand mutton, that in lamb is steadily expanding. Lately competition from Australia has been keen, but in spite of this the quantities coming forward from the colony have been going steadily into consumption, stocks being well cleared, and quality giving satisfaction to buyers. I am pleased to report the continued expansion of the lamb trade amongst retail provision-merchants in the provinces, where lines of New Zealand lamb are now quite generally handled and sold. This development of the trade was referred to by me in last year's annual report, and is one of the most pleasing features.

As in the case of mutton, the cablegrams sent weekly have given very full reports concerning the lamb market.

#### BEEF.

With the exception of a period extending from the end of October to Christmas, when prices of beef were at a satisfactory level, the quotations on the market, while being steadily maintained, have been low. The average for the twelve months has been  $3\frac{1}{2}$ d. per pound for hindquarters and  $2\frac{1}{2}$ d. for fores—almost identical with those of 1905. The shipments from Argentine, both of chilled and frozen beef, have been heavy. Those from New Zealand, on the other hand, have been light. The market for New Zealand beef in this country continues a small one, with no evidence of expansion. The quality of the meat received during the year has been good, although there have been occasional parcels landed concerning which some complaint has been made. As in the case of mutton and lamb, the weekly cables have recorded the state of the beef-market.

#### PORK.

Several shipments of pork have been received from New Zealand during the past year, the total number of carcasses being about 2,100. The extremely hot weather prevailing during the season, when the bulk of these carcasses arrived, caused trade in pork to be unusually bad, and necessitated stocks being placed in store and judiciously handled until disposed of. To have rushed them on the market under the prevailing conditions on arrival, sales would have had to be forced, which would have meant sacrificing them. The quality and condition of the pork received was generally satisfactory. When thawed the appearance was good. In the various parcels received the carcasses have been of various sizes. The most saleable weights are from 60 lb. to 80 lb., the demand for the larger ones usually not being so good. Although during the past year all have sold well, a few of the heavier weights have been considered rather fat. The supply of pigs from the Continent has been smaller than usual, and consequently there has been an excellent demand for carcasses suitable for bacon-curing. Of course, the fact that New Zealand pork has to be frozen tells against its sale, and, although the quality is considered quite equal to that coming from America, the price realised is not so high, the latter being merely chilled.

The prices realised for the shipments from the colony have ranged from  $4\frac{1}{2}$ d. to  $5\frac{1}{2}$ d. per pound, according to weight and quality.

#### FRAUDULENT MEAT-SALES.

Continuous complaints have been received throughout the past twelve months from all parts of the country concerning the fraudulent sales practised by many traders to the detriment of those anxious to conduct an honest trade in New Zealand meat. The difficulty of obtaining convictions against those who are known to be implicated has been repeatedly pointed out by me. Recently,

however, a very serious case of fraud in connection with the sale of New Zealand mutton came under my notice. Under your instructions I made close investigation concerning it, with the result that an information was laid against a firm of meat-salesmen on Smithfield Market for substituting, in a contract they had for the supply of New Zealand mutton, River Plate mutton to which New Zealand tags and wrappers were applied. Proceedings were taken in the Magistrate's Court, with the result that the salesmen were convicted and fined for the fraud.

As a result of this conviction many communications were received from various institutions having contracts for the supply of New Zealand meat, requesting that this office might inspect the supplies received by them, so that they might be satisfied that their contractors were acting honestly by them.

The fraud of selling River Plate and inferior meat as New Zealand, I regret to say, is not decreasing, and I am satisfied that, while it is doing an enormous deal of harm to the New Zealand meat trade in this country, it will not be checked until steps are taken by the shippers themselves to protect their own interests. As I have repeatedly pointed out, there is no means by which consumers can distinguish New Zealand meat when they desire to obtain it, and when they ask for it they often get inferior stuff supplied to them, which disgusts them, and destroys the reputation of the New Zealand article.

It is impossible under present conditions to advertise New Zealand meat advantageously. Any money spent in doing so would only benefit the whole frozen-meat trade at the colony's expense.

The necessity for marking New Zealand mutton and lamb with a small, neat, indelible brand, by which the meat would be guaranteed to consumers, and advertisement rendered possible, becomes daily more apparent. Of course, it would not do for any individual shipper to attempt branding. If that were attempted, the parcels so marked would certainly be boycotted by buyers in this country, who, naturally, are adverse to the proposal, and a low price only would be realised. Branding, to be effective, must be done generally throughout the country. The demand for New Zealand mutton and lamb in this country is such that no general boycott of the meat could be maintained. Immediately it was retailed with the brand on it, the demand amongst consumers, owing to the guarantee given, would be so great—the sale of substitutes being ended—that prices for New Zealand mutton and lamb would be firmly maintained. I feel, from continued experience of the markets here, that the branding of New Zealand meat is entirely in the interests of the trade. It is a subject worthy of the closest consideration by those interested in the colony.

#### CONDEMNED MEAT.

I regret to report that during the year my attention was directed to a number of condemnations of carcasses arriving from the colony in such an emaciated condition that the Meat Inspector at Smithfield condemned them and had them destroyed on that account. Particulars concerning these seizures were forwarded to the colony, and it is hoped that as a result the precautions taken there will prevent the possibility of such occurrences in the future.

Although it is recognised that the Inspectors in New Zealand are keenly alive to the necessity for unremitting care in inspecting meat for export, I understand that they have no legal power to condemn meat which, although being healthy and fit for immediate consumption, in their opinion would not appear so on being offered for sale in this country after freezing and subsequent thawing. It might be a matter for earnest consideration by the authorities whether, in face of the condemnations made by the Health Officers in this country, it would not be desirable that such powers should be conferred upon the Inspectors.

#### TINNED MEATS.

Owing to the scare created concerning tinned meats by the startling disclosures made of American methods, it was considered desirable to demonstrate to the provision trade in this country the merits of the goods produced in New Zealand canning-factories. Accordingly space was taken at the Grocery Exhibition held at the Agricultural Hall, Islington, in October, and a large display of tinned meats forwarded from the colony was there shown to advantage on a tastefully arranged stand. Each packing company forwarding goods had a distinct section set apart for its exhibit.

A large quantity of literature dealing with the slaughtering and inspection of meat in New Zealand was prepared and distributed during the Exhibition, and the opportunity was taken by every means of emphasizing the purity and quality of the meat exported from the colony.

Acting under your instructions, I arranged for a visit of the officers connected with the Departments of Supply and Contracts of the Admiralty and War Office to the Exhibition, when a minute inspection of the New Zealand meats was made by them. The agents of the various companies opened samples desired of the goods, and these were thoroughly examined. The officers, as the result, declared themselves highly satisfied with all they saw and heard. The New Zealand slaughtering and inspection laws specially appealed to them.

At their request samples of considerable size of the meats were sent forward to the naval and military depots, and as a result the names of several of the packing companies were placed on the official lists of the Admiralty and War Office, so that they might be given the opportunity of tendering for contracts to supply canned meats when supplies are required in future for either the navy or army.

The question of canned food has been specially considered by the Incorporated Institute of Hygiene. The feeling of the medical fraternity attached thereto is entirely favourable to the use of such foods, which they allow to be wholesome, nutritive, and prepared under more sanitary conditions than is the case of food consumed by persons in many of the poorer districts in this country. The resolutions passed by this Institute in favour of canned meats have been specially valuable, as, appearing widely in the public Press, they proved of considerable benefit to the trade.

## WAR OFFICE CONTRACTS.

During the year the War Office, following the visit of Colonel Hobbs to America for the purpose of making a report concerning the methods of slaughter and inspection in that country, decided to send an officer to New Zealand in order to inspect the refrigerating-works there, and to report fully to the authorities as to the manner in which the slaughtering and inspection laws are carried out.

Major Long, the officer appointed, left London last month. Due notification of his visit had been despatched to the colony.

## MARKET IN GERMANY FOR NEW ZEALAND MEAT.

The question of securing a market in Germany for New Zealand meat has on many occasions been under consideration. Unfortunately, attempts made to open up trade in that country have hitherto been unsuccessful. During the year a large number of editors of leading German newspapers visited this country, when the opportunity was taken of interesting them in the question of the importation of New Zealand meat to that country. While it was found impossible, owing to the limited time at their disposal, to show and explain to them all that was desired concerning the trade in frozen meat, the editors were taken over the large cold-air stores in Southampton and shown the frozen meat stored there. Under your instructions I got leaflets concerning the New Zealand slaughtering and inspection laws, and also dealing with the importation of meat, printed in German, and these I distributed amongst the editors. By this means it was hoped that their interest in the question of the German meat-supply might be promoted, and that good might result to the New Zealand meat trade generally.

Several of the German editors expressed very keen interest in the question of the cheap food-supply of the German people, and since their return from their visit here the matter has on various occasions been referred to in the papers guided by these gentlemen, and numerous references to New Zealand meat have been made by them.

I have kept closely in touch with what has been going on in relation to this question, and have considerable hope that the opposition of the German Agrarian party, which is at present strong, may shortly be overcome.

## SHIPMENTS OF LAMB FROM NEW ZEALAND.

Shipments of lamb were received from the Ruakura and Momohaki Experimental Farms, which, in accordance with your instructions, I placed, when received, in the hands of the C.C. and D. Co. (Ltd.) for realisation. The average price for the former lot, which were lambs of fair average quality, although some were inclined to be rather plain, was 4'41d. per pound, while for the latter—lambs of similar quality, but insufficiently graded—owing to the market having improved, 4'68d. per pound was obtained.

## WOOL.

The market for wool throughout the year has been continuously firm, and prices high. Trade in the country has been brisk, and as manufacturers have been busy all lots coming forward have been eagerly purchased and at once brought into consumption. There has been no accumulation of stock, and at present the demand experienced is as great as ever, while the tone of the market gives promise of the continuance of the satisfactory prices that have been ruling. Slight temporary decreases in values have once or twice been experienced, but there has been nothing to cause any continued decline in quotations. The prospects at present are most encouraging for wool-growers.

## HEMP.

The market for hemp during the official year has been an exceptionally firm one, with excellent prices prevailing. From the beginning of the twelve months, when the price for "good fair" grade was £32 per ton, with the exception of a week or two when 10s. per ton less was quoted, prices steadily advanced, until in January they had reached £40 per ton, the highest quotation recorded since the hemp trade became established. At the end of January and the beginning of February there was a difference of only £3 per ton between "good fair" New Zealand and "fair current" Manila. Prices are now, however, slightly weaker, and it is felt that the extreme rates for some time ruling cannot be continued.

The quality of the hemp received from New Zealand has generally been satisfactory. The proportion of "fair" grade coming forward from the colony has been considerably greater than it was a few years ago, while the quantity also has been increasing. Quotations for this grade are on that account now much more general on the London market than formerly.

While the grading has, on the whole, been satisfactory, one or two complaints have been made to me concerning it, and I have examined the lots brought under my notice. Particulars in regard to these were forwarded through you to the colony.

## TIMBER.

During the past year an increasing number of commercial inquiries from various parts of the country have been received regarding the New Zealand timbers. The main cause of this inquiry no doubt lies in the fact that the supply of several leading varieties of commercial woods imported into this country has been shrinking in marked degree during the past few years, and the trade has been compelled to look out for fresh sources to draw on. A considerable degree of credit, however, may be attributed to the various exhibitions in the past two years at which New Zealand timbers have been prominently displayed and advertised.

One of the principal inquiries has been for a superior, fairly soft pine to take the place, among others, of the American yellow-pine, which has been rapidly becoming scarcer and dearer.

Kauri-pine, which is well known to the trade, is considered too hard and too dear for the demand in question. Superior New Zealand white-pine, on the other hand, would appear to meet the requirements in regard to quality and characteristics. The matter of price should also be favourable.

As regards hard woods, there has been a demand for ornamental novelties from cabinetmakers and makers of wood articles in the fancy trade. Architects, also, have been on the lookout for wood of the above description.

A large number of inquirers concerning timber have been furnished with such information as is at our disposal, and have also been supplied with lists of the leading timber millers and exporters in New Zealand.

#### FIRES ON WOOL-SHIPS.

The occurrence within a short space of time of a series of fires on board vessels carrying cargo from New Zealand during the past year caused widespread concern in shipping and commercial circles. Attention was given to the matter at this end, and, after inquiry being instituted, reports dealing with the outbreaks were forwarded to Wellington.

#### SHIPMENT OF CHAMOIS FOR NEW ZEALAND.

During the past year a shipment of unusual interest was made to the colony. By the kindness of the Emperor of Austria the New Zealand Government were presented with a number of chamois for importation to the colony. In accordance with your instructions I made arrangements for their reception in London, and for their detention while waiting transhipment to the New Zealand boat. I took delivery of the chamois on their arrival from Vienna. The consignment consisted of two bucks and six does, two and three years of age, two of the does being in young. Mr. Bertling, formerly Head Keeper to the Zoological Society here, had been appointed to take charge of the animals during their voyage to the colony, and after delivery of them had been taken by me from the keeper in whose charge they had travelled from Vienna the chamois were placed in his care. Under arrangement with the Customs authorities I had them quarantined in a barge, where they remained for the few days necessary before departure of the New Zealand steamer. The chamois were housed in excellent roomy boxes suitable for the voyage to New Zealand, and ample food such as they required was provided for a voyage lasting seventy days. As the chamois had been accustomed to being held in confinement, and had been used to people, it was felt that, with the care taken in the arrangements for their welfare on the journey, they would be able to endure the lengthy voyage with safety.

#### COLONIAL-FRUIT SHOW.

In June an interesting show of colonial fruit was held in the hall of the Royal Horticultural Society, at which the opportunity was taken of making a display of apples from New Zealand. A good position having been secured, the apples, which were apparently supplied from a number of different sources in the colony and opened out in good condition, were advantageously displayed. The long table on which the New Zealand exhibit was placed presented a very bountiful and attractive appearance, the fine colouring and size of the fruit being specially noticeable.

I am pleased to report that a silver-gilt medal was awarded to the New Zealand Government for the apples. Had other fruits been available to show in conjunction, so as to form a general collection, it is highly probable that a gold medal would have been secured. The medal gained was, however, the highest award given to an exhibit of one class of fruit only.

#### NEW ZEALAND INTERNATIONAL EXHIBITION.

The work in connection with the British Section of the New Zealand International Exhibition occupied the attention of my Department during the early part of the year. The applications for space, the allotment of same, the receipt of application-moneys, and various other details, were all included in the work of this Department.

#### IRISH INTERNATIONAL EXHIBITION.

Advice having been received from the Government that it was their desire that New Zealand should participate in the Irish International Exhibition, to be held at Dublin during the approaching summer, arrangements in connection therewith were placed in my hands.

Space amounting to 3,000 square feet has been secured in one of the best locations in the Exhibition, the width of the block taken being 40 ft. and the length 75 ft. The stand made for the New Zealand Court at the Crystal Palace last year, planned and carved in Maori design so as to be specially distinctive of New Zealand, and which gave such satisfaction and attracted such general admiration then, has been utilised on this occasion. So that the whole increased space might be enclosed and all the exhibits included, an extension similar in design has been added. The work in connection with the Exhibition has been pushed well forward, and it is expected that everything will be in readiness by the opening day, 4th May.

As may be inferred from the foregoing references, the numerous lines of New Zealand produce and the various other matters of equal importance to the colony that are being dealt with necessitate constant attention, while the weekly cables giving quotations for leading items, and information concerning the state of the markets in this country for these, render incessant watchfulness essential.

I have, &c.,

H. C. CAMERON,

Produce Commissioner.

The High Commissioner for New Zealand, London.

## APPENDIX IV.

BOOKS AT THE HEAD OFFICE OF THE DEPARTMENT OF INDUSTRIES AND COMMERCE, WELLINGTON, AVAILABLE FOR REFERENCE BY SHIPPERS.

## TRADE REPORTS.

The following diplomatic and consular trade reports, issued by His Majesty's Foreign Office, relating to the trade, finance, &c., in the undermentioned countries may be seen on application to the Head Office of the Department of Industries and Commerce:—

*France.*—French Octroi System. French Mercantile Marine Laws. Trade of Indo-China for the Years 1903-4. Trade of Marseilles for the Year 1905. Trade, Agriculture, &c., of French West Africa for the Years 1904-5. Trade of New Caledonia for the Year 1900. Trade of Réunion for the Year 1905. Trade and Agriculture of the Consular District of Calais for the Year 1905. Trade of Havre and District for the Year 1905. Trade of Consular District of Cherbourg for the Year 1905. Trade and Agriculture of Pondicherry for the Year 1905. Trade of Corsica for the Year 1905. Trade of Consular District of Bordeaux for the Year 1905. Silk Industry of Lyons and St. Etienne, and Trade of Grenoble, for the Year 1905. Trade of Dunkirk for the Year 1905. Trade of Cochin-China for the Year 1905.

*Germany.*—German Paper Industry and Export Trade. Agriculture in Germany. Agriculture in the Rhenish Province. German Colonies, 1903-4. German Trade with India. Trade of Bavaria for the Year 1904 and Part of 1905. Finances of the Kingdom of Saxony for the Years 1906-7. Trade of Germany for the Year 1905. Trade of Consular District of Leipzig for the Year 1905. Trade of Pomerania for the Year 1905. Trade of Consular District of Hamburg for the Year 1905.

*Belgium.*—Shipping and Navigation of the Port of Antwerp for the Year 1905. Arms Industry of Liège.

*Netherlands.*—Finances of the Netherland Indies for the Years 1905-6. Finances of the Netherlands for the Years 1904-5 and 1905-6. Trade of Amsterdam for the Year 1905. Trade, &c., of Java for the Year 1905. Trade of Rotterdam for the Year 1905. Trade of Curacao for the Year 1905.

*Greece.*—Finances of Greece for the Year 1905. Trade of the Morea and the Provinces of Aetolia and Acarnania for the Year 1905. Trade of Corfu for the Year 1905. Trade of the Cyclades for the Year 1905. Trade of Cephalonia and Zante for the Year 1905. Trade and Agriculture of Thessaly for the Year 1905. Trade and Agriculture of Piræus and District for the Year 1905.

*Italy.*—Agriculture of Tuscany. Trade of South Italy for the Year 1905. Foreign Trade of Italy for the Year 1904. Trade of Consular District of Genoa for the Year 1905. Trade of Consular District of Rome for the Year 1905. Trade of Sicily for the Year 1905. Finances of Italy for the Year 1905.

*Switzerland.*—Trade of Switzerland for the Year 1905.

*Austria-Hungary.*—Trade of Trieste for the Year 1905.

*Norway.*—Trade of Norway for the Year 1905.

*Sweden.*—Trade of Stockholm and Eastern Coast of Sweden for the Year 1905.

*Denmark.*—Trade of Denmark for the Year 1905. Trade of Denmark for the Year 1904 (supplementary). Trade of Iceland for the Years 1903-5.

*Spain.*—Trade of Consular District of Bilbao for the Year 1905. Trade of the Canary Islands for the Year 1905. Trade of the Consular District of Cadiz for the Year 1905. Trade of the Provinces of Galicia, the Asturias, and Leon for the Year 1905. Trade of Consular District of Barcelona for the Year 1905.

*Portugal.*—Trade of Goa for the Years 1904-5. Trade of Quilimane for the Year 1905. Trade of Oporto for the Year 1905. Trade of Consular District of Beira for the Year 1905. Trade of the Azores for the Year 1905.

*Roumania.*—Trade of Roumania for the Year 1905.

*Servia.*—Trade of Servia for the Year 1904.

*Bulgaria.*—Trade of Bulgaria for the Year 1905.

*Turkey.*—Trade of Constantinople and District for the Year 1905. Trade of Palestine for the Year 1905. Trade of Beirut and the Coast of Syria for the Year 1905. Trade of the Trebizond Vilayet for the Year 1905. Trade of Vilayet of Aleppo for the Year 1905. Trade of Basra for the Year 1905.

*Russia.*—Trade and Agriculture of Poland and Lithuania for the Year 1905. Trade of Consular District of Batoum for the Year 1905. Trade of Consular District of Moscow for the Year 1905. Trade of the Grand Duchy of Finland for the Year 1905. Foreign Commerce of Russia and Trade of Consular District of St. Petersburg for the Year 1905. Trade of Consular District of Rostov-on-Don for the Year 1905.

*United States.*—Coal Industry of the United States in 1904. Turpentine Industry in the United States. Finances of the United States for the Year ended the 30th June, 1905. Trade of the United States for the Year 1905. Trade of the States of Maryland, Virginia, West Virginia,

and Kentucky for the Year 1905. Trade of the States of California, Nevada, and Utah, and the Territory of Arizona, for the Year 1905. Trade of Consular District of Philadelphia for the Year 1905. Trade of Texas for the Year 1905. Trade and Agriculture of the States of Oregon, Washington, and Idaho for the Year 1905. Trade of the Consular District of Boston for the Year 1905. Trade and Agriculture of the Consular District of Chicago for the Year 1905.

*Argentine Republic.*—Trade of the Consular District of Buenos Ayres for the Year 1905.

*Bolivia.*—Trade of Bolivia for the Years 1904–5.

*Argentine Republic.*—Trade of Consular District of Rosario for the Year 1905.

*Brazil.*—Trade of Santos for the Years 1902–4. Trade of Brazil for the Year 1904. Trade of the State of Rio Grande do Sul for the Year 1905.

*Chile.*—Trade of Coquimbo for the Year 1905.

*Costa Rica.*—Trade of Costa Rica for the Year 1905.

*Columbia.*—Trade of Santa Marta for the Year 1905.

*Guatemala.*—Trade of Quezaltenango for the Year 1905.

*Honduras.*—Trade of Honduras for the Years 1904–5. Trade of Omea and Puerto Cortes for the Year 1905.

*Mexico.*—Mexican Budget for the Years 1905–6.

*Peru.*—Trade of Iquitos for the Year 1905. Trade of Peru for the Year 1905.

*Venezuela.*—Trade of Ciudad Bolivar for the Year 1905.

*China.*—Land-taxation in the Province of Honan. Trade of Canton for the Year 1905. Trade of Nanking for the Years 1903–5. Trade of Shanghai for the Years 1901–4. Trade of Teng Yueh for the Year 1905. Trade of Ichang for the Year 1905. Trade of Swatow for the Year 1905. Trade of Hankow for the Year 1905. Trade of Wuchow for the Year 1905.

*Japan.*—Gold-mines of Formosa. Trade of the Consular District of Hakodate for the Year 1905.

*Persia.*—Persian Customs Regulations. Trade of Arbistan for the Year 1905. Trade of Bushire for the Year 1905.

*Egypt.*—Trade of Port Said and Suez for the Year 1905. Trade of Alexandria for the Year 1905.

*Morocco.*—Trade of Morocco for the Years 1903–4. Trade of Consular District of Tangier for the Year 1905.

*Cuba.*—Trade of Cuba for the Year 1904 (supplementary).

*Western Pacific.*—Trade of Samoa for the Year 1905. Trade of the Friendly Islands for the Year 1905.

*Zanzibar.*—Trade of Zanzibar for the Year 1904.

*Cuba.*—Trade of Cuba for the Year 1904 (supplementary).

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The following publications are on hand at the Head Office of the Industries and Commerce Department, and are available there for public reference:—

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Canadian Trade Index. 1906.

South African Trade: General. By T. Nicol Jenkin.

South African Trade: Engineering. By Ben. H. Morgan.

South African Trade: Textile and Soft Goods. By S. W. Witham. 1904.

Annual Report of the Co-operative Wholesale Societies (Limited), England and Scotland. 1904.

The Delagoa Directory (Lorenzo Marques). 1904.

The Shippers' Guide to South and East Africa.

General View of Commerce and Industry in the Empire of Japan. Prepared by the Paris International Exposition of 1900.

American Trade Index. Published by the National Association of Manufacturers, Philadelphia, Pa., U.S.A.

Sources of the Agricultural Imports of the United States. 1904.

Distribution of the Agricultural Exports of the United States. 1904.

Export Hand Adressbuch von Deutschland. 1904.

Exporters' Directory of Japan. 1906.

Report upon the Trade of Japan. 1906.

Report upon the Trade of China. 1905.

Annual Report, Chamber of Commerce, Port Elizabeth, South Africa, containing Complete Trade Returns and Statistics. 1904.

Annual Report, Chamber of Commerce, Durban, South Africa.

Guide to South African Ports. Issued by William Cotts and Co.

Commonwealth of Australia: Customs Tariff.

Commonwealth of Australia: Appendix and Decisions.

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Regulations of the Port and Harbour of Natal.  
 Report of Port Captain, Colony of Natal. 1903.  
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 Newspaper Press Directory. 1904.  
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 The Canadian Annual Review. 1906.  
 International Fire Exhibition. 1904.  
 Imperial Institute Technical Reports and Scientific Papers. 1904.  
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 Commercial Treaties, &c., between Great Britain and Foreign Powers. 1st January, 1907.  
 Colonial Tariffs. 1906.  
 Lloyd's Register. 1906-7.  
 Lloyd's Appendix. 1906-7.

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