

the exporters of New Zealand wool desire to capture a portion of the Canadian trade they will require to appoint or send representatives with full power to quote and arrange settlements. The wool-brokers in Toronto do a large business with some parts of the United States.

*Hides and Skins.*—There is a large demand in Toronto, and the importers speak in terms of the highest praise of the quality of hides and skins handled from New Zealand. I met several American buyers during my sojourn in that city.

*Butter.*—On the west and north-west of Canada there is a splendid market offering, as the country in those parts consists chiefly of mining and fishing industries, and the local production of butter is quite insufficient for requirements.

*Kauri-gum.*—That used in Canada is obtained from New York, and varnish-manufacturers state that the price has been so high as to necessitate a substitute in the preparation of varnish, using only a certain quantity of gum for the best quality of varnish. One merchant stated that his firm was quite prepared to enter into a contract for 300 cases per month if the price and quality were right.

*Tallow.*—This is in good demand, and large supplies are at present drawn from the United States.

*Flax.*—New Zealand flax is well and favourably known to the Canadian rope and twine manufacturers, but prices are so high that they use Manila hemp. I was informed that when our flax could be had at reasonable rates Canadians would be prepared to buy, as it was most suitable for their requirements.

*Sausage-casings.*—I had several inquiries for these, for which an excellent market exists.

*Tinned Meats.*—The quality of New Zealand tinned meats is held in high esteem by Canadian consumers, the article being very much superior to that imported from the United States.

*Jams.*—The same may be said of New Zealand jams, and it is only a matter of price in securing a good market.

*Manufactured Goods.*—I am safe in saying that there is no market for our manufactured goods, owing to the high tariff, and also because manufactured goods can be imported at a much lower price from Europe.

The Canadian merchants are most anxious to do business with the Dominion, and would prefer to buy direct. They are thorough Imperialists, and great supporters of the preferential tariff, and would do all in their power to build up a trade, seeing that a reciprocal treaty is in operation. I am sorry, however, to report that there is an impression abroad that when an importer cables for quotations to the New Zealand market the exporters apparently think that there must be a rise in the market, and as a consequence invariably quote a stiff price. To do a satisfactory business with Canada our merchants would require to appoint representatives empowered to quote prices and arrange terms of settlement and be responsible to the buyer in the event of goods not arriving according to sample or quality of brand. This is specially the case as regards wool. Buyers state that the wool-samples I had on exhibition were most suitable for their requirements.

One drawback against importing direct is the long railway haulage on the Canadian Pacific Railway to Toronto. But one of the principal wool-brokers informed me that he had made satisfactory arrangements with the railway company which would enable him to import direct. In about a couple of years' time the Grand Trunk Railway is expected to be completed, which means a connection from the Pacific to the Atlantic. This is in direct opposition to the Canadian Pacific Railway, and merchants anticipate a considerable drop in freight.

I might mention that at the present time the woollen industry is in a languid condition, about a hundred mills having shut down owing to their inability to compete with the imported article. The Canadian Manufacturers' Association, which is a strong body, is endeavouring to bring pressure to bear on the Government to raise the duty on woollen goods. Several deputations have waited upon the Prime Minister. The association referred to is very strong politically, and it is said that its members spend a lot of time and money in gaining their ends.

Before I left Canada the money-market was very tight—so much so that many factories were closing down. However, the politicians, bankers, and others with whom I came in contact have great faith in their country, and look upon the depression as only temporary, being quite satisfied that things will come right again in a very short time.

During my tour I was often called upon by intending tourists for information concerning New Zealand, and complaints were rife as to the inability of the Canadian Pacific Railway Company to supply either information or literature concerning the scenic wonders and tourist routes of this country. I therefore took the opportunity whilst in Montreal of calling upon Mr. G. McL. Brown, passenger manager of the Atlantic Steamship Line, and as a result of that interview I would respectfully urge that our Tourist Department take up the question of reciprocal advertising. As you are no doubt aware, the Canadian Pacific Railway Company practically controls the tourist business in Canada. The company is very prominently represented in all the cities and towns in Canada and the United States, and it appears to me that were such a scheme formulated the advantages gained would be very much in our favour. The Continent of America contains a large number of tourists whose steps would be turned New-Zealand-wards were the attractions of this country brought directly under their notice. Mr. Brown expressed his willingness to place New Zealand literature in prominent parts of all their offices in America, as well as to hang pictures of our scenery.

I also interviewed Mr. Stitt, General Passenger Agent for the Railway Department, who also offered to co-operate in a similar manner. In return the Tourist Department here would be expected to deal similarly with literature and pictures relative to Canadian tourist routes.

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