

FOREIGN COMPETITION WITH THE UNITED KINGDOM IN THE NEW ZEALAND MARKET.

Coming now to the examination of particular branches of trade, reference may be made to Appendix No. 5, which shows in full detail the movement of trade in each class of commodities for the years 1890, 1900, and 1903-6. In the following survey it will be convenient to deal with the goods in three classes, according as they are—

- (1.) Commodities in regard to which the trade is mainly in the hands of foreign countries, or, in some cases, British possessions;
- (2.) Commodities in regard to which there is a large or increasing competition from foreign countries or British possessions; and
- (3.) Commodities in regard to which the United Kingdom is at present predominant.

(i.) Imports in regard to which Foreign Countries or British Possessions are predominant.

Manufactured Food Commodities.—*Sugar.*—The greater part of the sugar-supply of New Zealand is derived from British possessions, especially Fiji, the only foreign country which appears to send any large amount being Java—£60,000 in 1906. *Wine* is, of course, supplied chiefly by foreign countries, but there is a slowly increasing consumption of Australian wine page (31). In regard to *tea* Ceylon has easily the first place, the consumption having risen very rapidly in the last three years. Indian teas are next in demand, and the importation of China tea has dwindled to insignificance (page 31).

Tobacco.—Manufactured tobacco, cigars, and snuff are, as is natural, furnished chiefly by the United States, though the United Kingdom has a small but increasing share of the trade.

Apparel.—Under this head there are a certain number of commodities in which the trade is taken mainly by foreign countries. Such are *cotton lace*, of which the re-exports from the United Kingdom to New Zealand rose from £17,261 in 1903 to £49,892 in 1906—the goods coming from France and Germany; certain kinds of *hosiery*, in which German goods are preferred, mainly, it appears, on account of better dyeing—a reason which is also alleged for the German monopoly of *Berlin wools*; *fabric gloves*, which come from Germany; *braids*, also from Germany, which are said to be both cheaper and in greater variety than those produced by British manufacturers; *ribbons*, in which the Coventry product has been entirely displaced by the manufactures of Basle and St. Etienne; *low-class flannels*, which come from Holland, whilst the better-class trade is still held by England; *woollen dress materials of all kinds*, which are supplied chiefly by France—it is stated that similar goods are practically unprocureable from the United Kingdom—and *fancy textile fabrics*, in regard to which foreign manufacturers are said to secure the trade by reason of the greater originality and ingenuity which their goods exhibit. For *ticking of linen, or linen and cotton mixed*, recourse is had chiefly to Belgium. *Ivory, pearl, and fancy buttons* come mainly from Austria and from Paris, and *ordinary buttons* from Germany; Birmingham does not make the same variety of styles.

Velveteens.—For some years Germany practically controlled the market in these goods, though recently there appears to have been some improvement in the British share of the trade. It is stated that the British-made article offered considerably better value, but that the German make excelled in dye and finish, having a brighter and more glossy appearance, and this greater attractiveness secured them the market.

Denims.—These are supplied chiefly by the United States. One large import firm stated that there was no reason, so far as they knew, why Manchester should not supply the whole of the denims for the New Zealand market, but that for a long time they were compelled to purchase largely from America owing to the fact that repeated requests to Manchester manufacturers to compete were unsuccessful until a few years ago, when, for a time, they completely beat the American article. Then the Americans redoubled their efforts and recaptured the trade, and British makers, probably because of their great activity in other directions, have made no fresh attempt to recover the New Zealand market.

Hardware, &c.—Many years ago the main supply of *fencing-wire, staples, and wire nails* was drawn from the countries of continental Europe, but in more recent years these lines have been captured by America; this is said to be due to the use of basic steel with corresponding cheapness. Wire nails have never been a prominent British manufacture. *Tools* come mainly from the United States because, it is said, they are of newer designs, are better finished, and more suited to New Zealand requirements than the British articles, whose manufacturers persist in the old designs. Of recent years American machine-cut files have largely superseded British; they are cut in lighter lengths, are found to be keener, and, if they do not last so long, they cost less and are held to be cheaper in use. It is stated that the general public has often benefited by the ingenuity in design and the improvement in quality of small hardware and tools made by American manufacturers, whose example has been followed by their competitors. As an illustration the case of *saws* was quoted, in regard to which it was asserted that American improvements have been to some extent imitated by British manufacturers, who have accordingly recovered part of the trade. On the other hand *axes* and *carpenters' hammers* are specialties of the United States, and trade goes entirely to that country. America also supplies New Zealand largely with cheap, smoothly working *door and mortise locks*, which are in great use; they differ, however, so much from ordinary door-locks as scarcely to be in competition with them, and the British attempts to make similar locks have not been a success. *Cheap cutlery* is obtained mainly from Germany, and this is ascribed to the indifference of the British manufacturer to the trade in cheap, low-class goods.

Agricultural Machinery and Implements.—This class of goods is admitted into New Zealand free of duty, and foreign countries (notably the United States) and Canada have monopolized the New Zealand market for *harvesting machinery*, and have secured a large share of the trade in