

II. OBSTACLES TO THE EXPANSION OF TRADE.

The main obstacles to the rapid development of trade with the west-coast ports are (1) the conservatism of British traders, (2) the indifference of New Zealand producers, (3) the irregularity and infrequency of the sailings of steamers, and (4) the established custom of New Zealand produce being sold right out, instead of being consigned for sale. What I mean by the conservatism of traders is well illustrated by the statement made to me in Manchester, on the best authority, that a company dealing extensively in New Zealand mutton and lamb continues to get large quantities of these goods from London, rather than take advantage of the direct steamers from New Zealand to Manchester, though by following the latter course hundreds of pounds per annum would be saved. This wasteful practice prevails widely and unnecessarily. The merchants are thoroughly well aware of what they are doing; for, when it is pointed out to them that they could make large profits by shipping direct to west-coast ports, their reply is that they are perfectly satisfied with things as they are. This disinclination to alter their business routine is general with large firms and companies having their headquarters in London, and it seems to indicate that their profits are sufficiently ample to enable them to ignore an economy of several hundreds a year. The competition of more enterprising firms will ere long compel them to change their attitude. As regards the indifference of New Zealand producers, this may not operate actively as a hindrance to the development of the west-coast trade, but negatively it has a powerful influence. If the New Zealand producers constantly realised what a boon it is to them to be brought into direct communication with lucrative markets they would take a greater interest than they now do in the destination of their produce and the route by which it is intended to be sent. By stipulating, whenever practicable, that their goods should be forwarded by the west-coast steamers they might do much to extend the market and enhance prices. The inadequacy of the steamboat service, and the question of consignment *versus* sale, I shall consider under my next heading. Another obstacle to the diversion of trade or the opening-up of fresh markets is, curiously enough, the excellence of New Zealand products, the keen competition for them, and the high prices they command. There are markets in which cheapness counts for more than quality, and where a footing can only be obtained by competing with countries that send inferior products at a low price. Now, high quality has always been the aim of New Zealand, and excellence has been attained under the careful fostering and supervision of the Government. As a result our products, more especially butter, cheese, and lamb, are keenly competed for, and are generally bought up at satisfactory prices. We have therefore no surplus or inferior goods that we can send on consignment to open up a new market or to "dump" upon an old one in order to undersell our competitors. I am not prepared to affirm that it is desirable to have overproduction, inferior quality, or low prices for New Zealand products; therefore, to the extent to which the absence of these conditions hinders the opening of new markets or the expansion of trade in existing channels, I should rather counsel the bearing of the ills we have than the rushing into worse evils. The cheap markets may be left to the producers of cheap and inferior goods; there is still "room at the top"; and the object of our producers should be, as hitherto, to secure the best trade at the highest prices. Better far to consume our inferior goods ourselves than have the hard-won reputation of our products injured in the slightest degree by having meat or dairy-produce of low grade placed upon the British markets as "New Zealand."

III. HOW OUR TRADE MAY BE INCREASED.

There are various means by which our export trade in general, and our trade with British west-coast ports in particular, can be increased, and that without any injury to the reputation of our products or radical change in the methods of business. These means may be classed under two leading heads—

1. *Private Effort.*

Producers and exporters can do much to develop trade by attention to various detail points, as well as to some of general policy and organization; and I would ask them to believe that in what I have to say under this head I am guided by criticisms and remarks made to me in no captious spirit by those who are genuinely desirous of furthering New Zealand's interests as well as their own.

(a.) By maintaining and improving the quality of their products, and by fair and honest dealing based upon mutual trust and confidence.

(b.) By showing loyalty to the west-coast service—*i.e.*, by giving it the preference in the carriage of their goods.

(c.) By the meat-freezing companies and dairy organizations establishing agencies in different British centres to push and supervise the sale of their products. What has been accomplished in a few years by the agency established in Bristol by the Christchurch Meat Company is a striking object-lesson for others to copy.

(d.) By studying the markets, as in the demand for butter and cheese in different seasons. It seems advisable that New Zealand dairy factories should follow the Canadian example, by obtaining equipments enabling them to manufacture both butter and cheese, and by turning out a larger proportion of the particular article that is likely to be in demand.

(e.) By giving heed to popular prejudice with regard to the light colour of butter and cheese, the smallness and leanness of carcasses of mutton and lamb, and the better selection and packing of boned beef.

(f.) By catering to the tastes of the people in different parts of Great Britain. For example, our cheese, as now manufactured, is acceptable to consumers in the south-west of England and to