

1903.
NEW ZEALAND.

DEPARTMENT OF INDUSTRIES AND COMMERCE.
SECOND ANNUAL REPORT.

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

The SECRETARY of the DEPARTMENT to the Hon. the MINISTER FOR INDUSTRIES AND COMMERCE.
SIR,— Department of Industries and Commerce, Wellington, 8th September, 1902.
I have the honour to submit herewith the second annual report of the Department of Industries and Commerce. T. E. DONNE, Secretary.
The Hon. Sir Joseph G. Ward, K.C.M.G., Wellington.

DURING the past twelve months the business of this Department has increased to a very considerable extent. Its commercial value may be gauged by the large number of inquiries made from within and without the colony in regard to this country's resources, trade, and industries, and by the work accomplished and in progress in connection with the opening-up of fresh markets for New Zealand produce. The inquiries made as to the colony's resources and trade capabilities are varied and extensive, and the correspondence carried on and information afforded by this Department must have the effect of appreciably advancing New Zealand's standing as a source of supplies of food and miscellaneous products needed in other parts of the world.

Many business men visiting the colony for commercial purposes have found the office of this Department of great value in providing them with full and reliable information as to the trade and industrial resources of the country, information which has assisted them in carrying out their business missions satisfactorily and with a minimum loss of time.

During the year the horizon of New Zealand's present and prospective trade has considerably widened. The initiation of the subsidised steam service to South Africa has been successfully accomplished, and a steady business is being built up with that country. The British Admiralty have turned their attention to this colony as a country where provisions and stores may be procured. The Westport coal export to the China naval station has become an established trade. The Japanese Trade Commissioners who visited the colony in March last were supplied with a large amount of information with regard to the possibilities of trade between this colony and the Empire of Japan. The Commercial Agent for the colony in South Africa (Mr. J. G. Gow) has been established in Durban, and has visited the chief centres in Cape Colony and the Transvaal in connection with the extension of business between this colony and South Africa. The announcement in the *British Board of Trade Journal* (London) of my appointment as corresponding representative in New Zealand of the Commercial Intelligence Branch of the Board of Trade has borne fruit in the shape of many inquiries from all parts of the Empire as to the commercial and industrial resources of the colony.

A number of important questions dealing with the extension of our commercial interests abroad and the opening-up of new markets are referred to in detail in this report, and are submitted for consideration.

The principal subjects which have occupied the attention of this Department during the year may be classified as follow:—

1. Trade with South Africa.
2. The frozen-meat trade.
3. The London markets and the need for wider distribution of New Zealand produce in Great Britain.
4. Supplies for the Imperial Government.
5. Trade with Japan, China, India, &c.
6. Compulsory Government grading of grain for export.

TRADE WITH SOUTH AFRICA.

Important developments have taken place in this colony's trade with South Africa during the past year. The establishment of the subsidised steam service was accomplished towards the end of last year, and an extensive and remunerative trade is being built up, with every indication of permanence.