

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.

The history of the initiation of the steamship service may here be reviewed. On the 15th September, 1902, alternative tenders were invited in the colony, London, and Australia for a steam line from New Zealand to South Africa—first, for a direct service between New Zealand ports and South Africa *via* Fremantle; second, for a service between New Zealand ports and South Africa *via* Fremantle, with permission, if necessary, to call at another port in Australia *en route*. The following were the chief conditions: Four loading-ports in New Zealand, in geographical order, and three ports of discharge in South Africa, *viz.*, Durban, Port Elizabeth, and Table Bay. Service to be for a period of two or three years, at option of contractors. Steamers to be fitted with refrigerators to carry frozen meat and dairy produce. Steamers to be not less than 4000 tons measurement capacity for cargo, and their draught, when loaded, to enable them to discharge at wharves of above ports. Lighterage, when necessary, to be paid by contractor. Steamers to have minimum accommodation for thirty saloon and fifty steerage passengers, and provide suitable space for mails. Speed of steamers to be not less than eleven knots ocean-going, with penalty and bonus on a scale to be arranged, but not to exceed £500 per voyage. Rates of freight from New Zealand ports to South Africa to be not more than as follow: Wheat, £1 10s.; flour, £1 10s.; barley, £1 12s. 6d.; oats, £1 15s.; bran, £2; potatoes, in sacks, £2—all at per ton weight; hay, oaten or meadow, pressed in bales, and potatoes in boxes, both at ton 50 cubic feet measurement, £1 17s. 6d.; horses (full grown) and cattle, £12 10s. each; frozen meat and dairy produce at current summer rates ruling between New Zealand and London; other goods at rates current between New Zealand and London. Maximum cargo for Fremantle which contractor may be required to carry must not exceed one-sixth of the steamer's capacity; and the rates of freight from New Zealand to Fremantle must not exceed current rates from Sydney and Melbourne to Fremantle by more than 25 per cent. Whenever possible consistent with ordinary prudence, and before commencing to load at New Zealand ports, steamers are required to call at Westport for a full supply of bunker coal, at which port steamers will be free of pilotage and all port charges excepting light dues.

Six tenders were received for the service, and that of Kinsey, Barns, and Co., of Christchurch, agents for the New Zealand and African Steamship Company, was accepted, at an annual subsidy of £30,000.

The contract was duly signed in New Zealand by Messrs. Kinsey, Barns, and Co. on the 12th October, the first steamer sailed on the 13th November, and the contract was subsequently confirmed in London by the manager of the New Zealand and African Steamship Company, as principals, on the 19th December, 1902. The service has been carried on with regularity since the inception by the s.s. "Surrey" on the 13th November last, as per schedule of sailings attached.

The support received for the first four sailings was anything but satisfactory, but this was to some extent anticipated, as the service was commenced between the seasons, when there was little or no produce in the colony available for shipment, and prices of live fat stock were abnormally high owing to the shortage in Australia, a factor that did not influence the Argentine market, which was supplying the demand in South Africa, and against which we had to make an opening. However, the position has now improved very much indeed, and all steamers sailing recently have carried full cargoes of frozen meat, butter, produce, and deck loads of fat sheep for slaughtering purposes, so that the object for which the service was established is fast being accomplished.

After five months' experience of the working of the service I am not sure that leaving the declaration of the whole four loading-ports in the hands of the contracting company—although a strictly equitable arrangement, considering the number of ports to be served in the colony—is the best arrangement that could be made in the interest of trade. There is always an element of uncertainty as to whether the next or succeeding steamers will call at a particular port, and this uncertainty prevents merchants from entering into forward contract to sell and ship produce. In my opinion, if any revision of the contract is contemplated, the steamship company should be approached with a view to cancelling the present clause and permanently fixing two loading-ports, one in each Island (Wellington and Lyttelton), leaving the two remaining ports and any substitutions to be fixed under the same conditions as at present. The position would then be two fixed loading-ports and two other loading-ports declared by the contracting company and approved of by the Government, with the right to substitute a port on a guarantee of 300 tons of cargo. I am sure, under any circumstances, that the two ports I have selected will always be included as loading-ports under the existing conditions, but it is the element of uncertainty which retards business, and is, I think, a grievance which might be remedied.

I am of the opinion that New Zealand merchants have not risen to the occasion and taken the fullest advantage of the opportunity provided for them to establish trading relationships with South Africa. A considerable proportion of the business now being done is done through Melbourne and Sydney houses, which purchase supplies of produce in this colony and dispose of the same to South African clients. Naturally these houses make a profit in which this colony does not participate, but, infinitely worse than this, the Australians are building up a connection which will not be extended to this colony when supplies of Australian produce are again available for export. I am in hopes that the presence in South Africa of Mr. Gow as Commercial Agent for the colony, and the continuation of the subsidised steam service, will ultimately lead to the establishment of direct and permanent trading relationships between the merchants and banks trading in New Zealand and the merchants and banks trading in South Africa, such as have existed between Australia and South Africa for many years past.

I regret to report that the inclusion of Fremantle, Western Australia, in the service has not been justified by results, the quantity of cargo carried by the first five steamers being a mere bagatelle. This want of development is not due to the impossibilities of business, but to the working of a shipping agreement which exists between steamship-owners trading on the Australian coast and importers in Western Australia, by which all importers who confine their shipments to the steamers of the combined companies receive substantial rebates, which accumulate and are

payable periodically. Shipment by the steamers of the New Zealand and African Steamship Company is considered a breach of this agreement, involving discontinuation and forfeiture of rebates due, therefore no Western Australian importers can afford to receive goods shipped by the subsidised steam service, notwithstanding that the freight is considerably lower than when cargo is transhipped at Sydney or Melbourne. It is unfortunate that the efforts of the Government to promote trade with Western Australia by providing a direct steam service are in a great measure burked by the operation of this agreement.

I attach a schedule showing the sailing and arrival dates of each steamer, the average duration of passages, and the quantities of the principal lines of cargo carried. The full text of the contract with the New Zealand and African Steamship Company will be found in an appendix.

*Steamer-sailings for South Africa under the Contract with the New Zealand and African Steamship Company.*

Name of Steamer.	Date of Sailing.	Date of Arrival in South Africa.
Surrey ... ..	13 November, 1902	24 December, 1902.
Devon ... ..	31 December, 1902	17 February, 1903.
Sussex ... ..	21 January, 1903	28 February, 1903.
Kent... ..	23 February, 1903	3 April, 1903.
Surrey ... ..	26 March, 1903	2 May, 1903.

Average passage from New Zealand to South Africa *via* Fremantle and Sydney, including all stoppages : 39 days.

Total shipments by steamers of the service up to the 31st March are as follows:—

For South Africa : 145,358 carcasses mutton, 30,231 quarters beef, 16,718 boxes butter, 1,897 crates poultry, 3,833 sides pork, 29,532 sacks oats, 3,990 cases frozen sundries, and a large quantity of general cargo, including preserved milk, agricultural machinery, timber, bran, wheat, peas, preserved meats, potatoes, onions, raspberry-pulp, cheese, frozen fish, lamb, and hams.

For Brisbane : 2,860 carcasses mutton and 5,226 quarters beef.

For Fremantle : 615 sacks bran, 1,543 sacks oats, 106 cases cheese, 400 boxes butter, 25 cases mullet, 5 cases milk.

NOTE.—Since the date of the compilation of this report the new steamer “ Essex ” has sailed for South Africa with a record cargo of stock and produce, of which the principal items are as follows : 49,266 carcasses mutton, 2,200 quarters beef, 3,808 boxes butter, 3,094 live fat sheep, 1,987 cases potatoes, 45,106 sacks oats (equal to 3,750 tons). Total estimated f.o.b. value of this cargo is £80,000.

*Potatoes for the Transvaal.*—During July and August of last year the Department, acting on behalf of the Imperial Government, purchased in the colony 27,369 cases of potatoes, which were shipped to Durban and distributed throughout the Transvaal for seed purposes. The average price paid was £3 8s. 2d. per ton of 2,240 lb. f.o.b.; cases extra, 1s. 6d. each. The potatoes were carefully inspected and graded and packed in strong white-pine cases, each containing 100 lb. net, and bound at each end with hoop-iron or wire. The cost of advertising for tenders, inspection, and cablegrams amounted to £172 18s. 4d., or equal to 2s. 10d. per ton, which, added to the average f.o.b. cost of £3 8s. 2d., made the total cost £3 11s. The total weight purchased was 1,222 tons, of which 350 tons were purchased in Blenheim, 300 tons in Southbridge, 90 tons in Dunedin, and the balance, 482 tons, in Christchurch. The contracts were well distributed over the potato-growing districts of the colony, and the order reached the colony at a most opportune time. A receding move in prices was arrested, and the withdrawal of such a large quantity relieved the market, and prevented a glut and consequent loss to the producers. The greatest care was exercised by the Government Inspectors to insure the shipment of nothing but sound even-sized potatoes. With a view of drawing attention to the source of the supply each case was branded on two sides with the words “ New Zealand potatoes.”

*New Zealand Commercial Agency in South Africa.*—In February of this year Mr. J. G. Gow was despatched to South Africa to take up the position of Commercial Agent for this colony, with headquarters in Durban. Mr. Gow arrived at Durban on the 23rd April, and immediately proceeded to Port Elizabeth and Cape Town. After a short stay at each of these ports he returned to Durban, and afterwards proceeded to work all the principal towns in South Africa, with the object of ascertaining the prospects of establishing a trade in the products of New Zealand, and of bringing under the notice of consumers and traders the quality and prices of the products and manufactures available in this colony. Through the agency of this Department the establishment of the subsidised steam service has been advertised throughout South Africa. Public attention has also been drawn to the fact that large supplies of frozen meat and dairy and agricultural produce and timber are available for shipment, and that the fullest information as to price f.o.b., rates of freight, and sources of supplies will be communicated to any one addressing the Head Office of the Department. Mr. Gow is well supplied with samples, quotations, and data as to sources of supply of all descriptions of New Zealand products and manufactures.

I have pleasure in reporting that trade with South Africa is developing in a rapid and satisfactory manner. Considerable shipments of beef, mutton, and butter continue to go forward by every steamer, and since the harvest some very large shipments of oats have been made. Now

that supplies of Tasmanian and Victorian potatoes are diminishing I expect to see some large shipments of potatoes made. An important item has recently been added to the steamers' manifests—viz., live fat sheep for slaughtering purposes. The fact that the steamer "Essex" was fully loaded in New Zealand for South Africa, and that another steamer has had to be engaged by the contractors as an extra vessel to relieve the regular monthly steamer in June for general cargo, indicates the very appreciable increase in the trade, and warrants one in speaking highly of the success of the subsidised steamer service, and in predicting a profitable development of trade between the two countries.

#### THE FROZEN-MEAT TRADE.

In dealing with this important subject in my last annual report I laid particular stress on the necessity of increasing the number of ports of discharge of frozen meat in the United Kingdom, and of having the number of individual consignees decreased. I gave it as my opinion that steps should be taken to secure the discharge of frozen meat at Liverpool, Bristol, Manchester, and Glasgow, and South Africa. It is gratifying to note that, with the assistance of a subsidised steam service to South Africa, regular shipments of beef, mutton, lamb, and poultry are now being made to that country, but nothing has yet been done as regards additional ports of discharge in the United Kingdom. At present the position is exceedingly acute. The following are extracts from the weekly market reports cabled from the Agent-General, dated 16th May: "The mutton market is depressed. Stocks of mutton on hand are heavy and are widely distributed amongst agents, who are pushing sales." "The lamb market is weak, though a good demand continues. Competition amongst holders of lamb to clear their stocks has lowered values." Yet at the time of writing (26th May) there were 561,143 carcasses of mutton and 539,836 carcasses of lamb afloat from this colony consigned to the Port of London. This is a most unsatisfactory condition of affairs, and the unfortunate part of it is that the producer is the only sufferer, through the bad management and want of organization of other interests. Irrespective of the fluctuation in the prices realised for the meat, the steamers receive their freight and the freezing companies their schedule charges for slaughtering and freezing; therefore the whole loss falls directly upon the producer. The evil is greatly aggravated by the fact that this unprecedented and immense quantity of meat is being rushed into one single port in the United Kingdom without any option, and on top of the knowledge that that port is distinctly unfavourable to the reception of the meat. The position of the Argentine stands out in marked contrast. The Agent-General reports, under date 23rd May, that supplies of Argentine meat in London are light, well held, and prices firm. Obviously the Argentine does not rush meat into London without giving some attention to the existing conditions of supply and demand. It is also a well-known fact that the bulk of the Argentine meat is delivered at Cardiff, Bristol, and Liverpool. I would again urge that some arrangement should be made whereby the number of ports of discharge in the United Kingdom should be increased.

Some important observations by Mr. H. C. Cameron, the Produce Commissioner for the colony in London, on the subject of the meat-market in England, will be found in that officer's annual report, which is attached hereto as an appendix.

The rapid progress and development in the Argentine's meat-export trade, in competition with this colony, will compel New Zealand to review carefully every department of the trade if it is to hold its own in the English markets. At present we have a distinct advantage on the score of quality, but this may not last, and the knife of economy will require to be applied to such branches as are at present unduly expensive. The question of freight must be carefully considered; the multiplicity of agents and salesmen employed in disposing of New Zealand meat, and other kindred matters, must all be given attention if this colony is to maintain its position against such a country as the Argentine, which is only half the distance of New Zealand from the markets of the United Kingdom, and has almost unlimited areas of low-priced land and innumerable flocks of sheep and herds of cattle. Recent statistics of exports from the Argentine show that that country is ceasing to pursue agricultural pursuits, and is devoting more time and energy to the frozen-meat and dairying industries. This is very unfortunate for New Zealand. We are less able to meet Argentine competition in the frozen-meat and dairying industries than such countries as Canada, the United States, and India are to meet it in agricultural pursuits. Under these circumstances it is imperative that this colony should make every preparation to meet the Argentine in the struggle for a remunerative trade, in which we are handicapped by the relatively higher value of our lands, and the extra cost of transport owing to our greater distance from the consuming markets.

I am pleased to be able to report that a small trade in frozen mutton with Western Australia is being worked up, as the result of the subsidised steam service to South Africa calling at Fremantle *en route*. Regular shipments are now being made by each steamer, and as far as can be judged, there will be a small market there for mutton and lamb for some considerable time, if not a permanent trade.

#### A WIDER BRITISH MARKET WANTED.

Under the previous heading I remarked on the urgent need of increasing the ports of discharge for frozen meat. But this observation does not apply to meat alone; it most vitally affects the dairy-produce business and the export of such important lines as wool, flax, and tallow. It is absolutely necessary that a more extended distribution of New Zealand produce throughout the United Kingdom should be organized as quickly as possible. Facilities should be given for the shipping of products direct from this colony to Liverpool, Bristol, Cardiff, and other British ports outside London.

The first step to be taken is to make some arrangements by which shippers will have an opportunity of delivering produce without transshipment at Liverpool, Bristol, and elsewhere. A considerable portion of the time of an official from the London office could be profitably spent in the provincial markets educating merchants and consumers as to the superior quality of New

Zealand produce. The progress of the colony is now so directly dependent on the success of the butter, cheese, and meat industries that the Government should lose no opportunity of promoting sales and opening up every available market, more especially in the United Kingdom. Some people may argue that such a course of procedure is unnecessary, as London and provincial merchants are quite alive to the quality and supplies of produce available in New Zealand, but such a contention would assuredly not be voiced by a disinterested person. My suggestion, if acted upon, would supplement the presumed existing knowledge and eliminate the element of chance. The issue is so important to the colony that no possible opportunity of extending the present markets and of exploiting new grounds should be allowed to slip.

#### PRODUCE COMMISSIONER IN LONDON.

On the 15th September last the Secretary to the Department of Agriculture, in a report to the Minister in charge of that Department, expressed the opinion that the time had arrived when Mr. H. C. Cameron, Produce Commissioner at London, should become an officer of the Department of Industries and Commerce, it having been found that his duties were now covering a much wider field than came within the scope of the Agricultural Department, and were more or less of a commercial nature. This suggestion was approved of and acted upon by the Government, and Mr. Cameron has since been transferred to the staff of this Department.

The weekly cabled market reports received from the Produce Commissioner through the Agent-General are now received and circulated by this office. Mr. Cameron is about to visit the colony, and as a result of his visit it is hoped that steps will be taken to organize a more extensive and systematic representation of the colony in the United Kingdom. The Secretary for Agriculture, in recommending the transference of the Commissioner, suggests that he should have a first-class business-man to assist him, as it is impossible for Mr. Cameron to do full justice to the work single-handed. Mr. Ritchie further suggests that an office should be opened in the city where business men could, without inconvenience, interview Mr. Cameron and obtain information regarding the products of the colony, the Agent-General's office being too far away from the business part of London for that purpose.

The suggestion has also been made that it will shortly be found necessary to have experts in butter and cheese and frozen meat attached to the London office. They would be constantly in touch with merchants and others receiving and handling New Zealand produce, whose business it would be to investigate and report upon complaints relative to quality and condition and suggest improvements. In my opinion a vigorous and practical policy of this nature is absolutely necessary, with a view of attaining and maintaining a standard of excellence beyond that of any other country. Considering the distance of New Zealand from the consuming markets and the extra cost of transport, this is, in my opinion, the only condition under which we can hold our own against such countries as the Argentine, Siberia, Canada, and the United States.

#### OVERSEA TRANSPORT OF PRODUCE.

The freights charged for the carriage of produce to London should receive the closest attention of the Government. Although rates of freight are agreed to and contracts entered into by different interests, it is the producer who has to pay. The following are the present rates of freight on the principal lines of produce from New Zealand to London:—

				£	s.	d.			
Butter	...	...	...	7	0	0	per ton	net weight.	
Mutton	...	...	...	7	0	0	per ton	gross weight	in summer.
"	...	...	...	4	13	4	"	"	winter.
Lamb	...	...	...	7	11	8	"	"	summer.
"	...	...	...	5	5	0	"	"	winter.
Beef	...	...	...	5	16	8	"	"	summer.
"	...	...	...	4	13	4	"	"	winter.

The value of tonnage is very low at present, and possibly the foregoing rates were reasonable when tonnage was more valuable and a smaller class of steamers was engaged in the trade, but with the present low values of tonnage and the advent of mammoth steamers, I am of opinion that the time has arrived when lower rates of freight should be demanded. It is only fair that the producers of the colony should share in the advantages of a favourable freight-market, and of the increased trade; the benefits accruing from cheap tonnage should not be confined to the companies engaged in the trade.

#### SUPPLIES FOR THE IMPERIAL GOVERNMENT.

The question of supplies of meat, &c., for the British army and navy has occupied the attention of this Department during the year. Representations have been made to the Admiralty and the War Office through the Agent-General with the view of inducing those Departments to purchase supplies of tinned meat in this colony. I have pointed out in my communications that as a rule the conditions of the regular contracts are such as to debar numbers of colonial firms from tendering, and tend to throw the business into the hands of London middlemen or the large firms who have branch houses in London. I have suggested that more liberal conditions of delivery should be arranged, that the work of inspection and any rejection should be carried out in New Zealand, and not at the yards in England, and that payment should be made on the spot against complete shipping documents. I have pointed out to the Admiralty and the War Office that the adoption of such steps as these suggested would be much the cheapest and most satisfactory method of procuring supplies of tinned meat, and that it would, moreover, tend to foster and practically indirectly subsidise a source of supply which could always be depended upon in time of war. I have also pointed out that if the Admiralty and the War Office should ever be compelled to look to this colony for large supplies of tinned meat, in the event of war, the chief question for consideration and the chief

difficulty would be not the supply of the raw material, but the extent of plant available for its preparation and canning. This position can be covered to some extent by purchasing supplies during time of peace, and thereby assisting to keep in operation the plant that may be required during a period of war. An enormous supply of meat is available at a moment's notice in this colony, but it would take time to provide the necessary plant wherewith to tin it.

No doubt the bulk if not all of the supplies for which tenders are now being called by the War Office and the Admiralty will be secured by United States firms, because of the magnitude of their operations and their proximity to the place of delivery; but if by drafting more liberal and workable conditions supplies can be obtained in New Zealand, such a course must commend itself to both the War Office and the Admiralty. There can be no grave objections to the conditions I have suggested, as the Admiralty is at present purchasing and taking delivery of large supplies of New Zealand coal f.o.b. at Westport. This operation is carried on by an Admiralty official, who inspects and passes the coal, checks the weights before shipment, and issues to the suppliers a certificate on which payment is made. As far as can be judged, there should be no objection to the adoption of a similar course with regard to the supplies of tinned meat required by the War Office and the Admiralty.

A promising business has already been initiated in connection with supplies for H.M. ships in Australasian and China waters. In January last Mr. Hogarth, Victualling Store Officer for the Sydney naval station, arrived in the colony, his object being to ascertain the prospects of obtaining for the British naval stations at Sydney and on the China coast supplies of tinned meat, salt pork and beef, preserved milk, jams, and compressed vegetables, and candles and soap. Mr. Munro, an officer of this department, was placed at the disposal of Mr. Hogarth, to accompany and assist him in obtaining the information he required, and to place him in touch with likely suppliers. I am pleased to report that, as a result of Mr. Hogarth's visit, a large order for soap was placed with one of the leading manufacturers of the colony, and three meat-preserving works received extensive orders for supplies of tinned meat. This is only the beginning of what I am hopeful will prove a very extensive business in the supplying of stores to the British fleets in the Southern and Eastern Pacific.

#### WESTPORT COAL FOR THE ADMIRALTY.

It is gratifying to report that the British Admiralty has renewed an order for a further year's supply of Westport coal, estimated to amount to 80,000 tons. Monthly shipments are going to China under a freight contract entered into by the Admiralty with Messrs. Weddell and Turner, of London, and in addition thereto a time-chartered transport, the "Mercedes," specially built for the trade, is employed continuously between Westport, Wellington, and Hongkong.

The quality of the coal is eminently satisfactory, and the only drawback to the trade is the present condition of the Westport Harbour, which necessitates all steamers engaged in the trade calling at Wellington to complete their cargoes while *en route* from Westport to Hongkong. This operation involves a considerable addition to the cost of the through freight. However, the remark suggests itself that if the trade is possible with this serious disadvantage, it should assume more important dimensions when the Westport Harbour is improved to such an extent as to enable the steamers to fill up there and sail direct to China.

#### COMMERCIAL INTELLIGENCE BRANCH OF THE BRITISH BOARD OF TRADE.

The notification of my appointment as corresponding representative of this institution for the Colony of New Zealand, which appeared in the *Board of Trade Journal*, published in London, has brought forth a large number of inquiries from different parts of the British Empire as to the commercial resources of this colony. I am anxious to draw the attention of the producers and manufacturers of New Zealand to the value of such a connection.

Inquiries as to markets, statistics, consumption, freights, prices, and possibilities of trade with every part of the world are dealt with by the Commercial Intelligence Branch of the British Board of Trade, and the opportunity of using this valuable medium is free to all who may care to communicate their requirements to this Department.

#### TRADE WITH JAPAN, CHINA, INDIA, ETC.

During the past year considerable attention has been directed to the question of the opening up of trade with Japan and China, also with India and other places in the East. Mr. J. G. Gow, Trade Representative of the colony abroad, visited these countries last year and made careful inquiries as to the possibilities of trade. During March last Messrs. Ando and Taraoka, two Commissioners appointed by the Japanese Government, visited New Zealand with a view of ascertaining the chances of increasing the trade at present existing between the Empire of Japan and this colony, and were afforded a great deal of information by this Department. The principal subjects over which their inquiries ranged were the annual wool sales, exports of hemp, buyers of silk, rice, fancy goods, and superphosphates, oversea and coastal steamer services, regulations for grading and shipping dairy produce, regulations for the carrying-on of co-operative dairying companies, and imports from and exports to Japan.

The following is Mr. Gow's report on the possibilities of trade with Japan :—

Sir,—

Kobe, Japan, 31st July, 1902.

In accordance with instructions from you through the Agent-General in London, I left Liverpool on the 31st May last and arrived in Yokohama on the 30th June. I immediately inquired for the British Consul, who, however, was temporarily absent, and in the meantime I applied for information in regard to the objects of my visit to the practical merchants of the town to whom I was directed as likely to furnish the most reliable facts. I was so fortunate as to meet a Mr. Bowden, an Australian and old resident here. He gave me a cordial reception, stating that he would assist me in my mission in every possible way. Later I saw the British Consul, Mr. H. A. C. Bonar. I found him very obliging, and he apparently took a lively interest in my work.

After spending some time in Yokohama I went to the capital, Tokyo. I called at the British Legation to present my letter of introduction from the British Foreign Office to the British Minister, Sir Claude MacDonald. Unfortunately, this being the hot season, all the leading people are away from Tokyo at their summer residences, and Sir Claude MacDonald was out of town. His private secretary said, however, that he expected him back in a few days, and in the meantime he forwarded my letter of introduction. Sir Claude gave it his immediate attention and forwarded me an official introduction to the Minister of Commerce and Agriculture, His Excellency Baron Hirata. His Excellency kindly granted me an interview at his residence and appeared to be highly interested in my mission to the East. After an hour's interview I could gather that the possibility of business between New Zealand and Japan is very remote. The Japanese are very poorly paid, the average rate of wages being 1s. per day of sixteen hours. The Baron stated that his countrymen do not at present, as a nation, eat mutton, butter, or cheese, as the people cannot afford such luxuries. He hopes that at some time in the future they may use more of these articles of food. In Japan the native population is about forty-three millions, while the European and other white residents number only about ten thousand. The forty-three million natives do not use our products, and the other ten thousand residents would occasionally like to have the opportunity of purchasing a small quantity as a rarity.

I am quite convinced, after careful and exhaustive inquiries in all the leading cities of Japan, that there is no market here for our leading lines. It would be a pure waste of time and money for our exporters to try this market. The only articles that might find a market here, in limited quantities, when low in price, are wool, hops, leather, and flour; and I had much pleasure in handing to Mr. Sankow, to exhibit in the Imperial Commercial Museum, wool-samples from Blenheim, flax from Auckland, hops from Nelson, and woollen patterns from the different mills in New Zealand. I also arranged with the same gentleman, who is Director of the Imperial Commercial Museum, that if you decide to forward samples of our timber, woollen goods, and other products, he would give us space and fit up a case for a New Zealand exhibit.

I should add that His Excellency Baron Hirata specially desired me to convey to the New Zealand Government, through you, some expression of the high esteem in which our country is held by His Excellency's Government.

In the official statistics of imports compiled to 1898 Australasia and Canada figure very insignificantly. The chief imports from other points are oil, cotton, carriages, sugar, and machinery. New Zealand, of course, cannot compete with the whereas the small imports of our chief commodities, such as butter, bacon, &c., as officially recorded, prove very conclusively the limited nature of the demand. For instance, the total import of butter from all foreign countries in one of the best years, 1895, only reached a value of a little more than £10,000, two-fifths being contributed by America.

Following is the population, according to the latest census, of some of the principal towns in Japan: Tokyo, 1,425,366; Kyoto, 351,461; Osaka, 811,855; Yokohama, 193,762; Kobe (and Hyogo), 214,119; Nagasaki, 106,574; Nagoya, 239,771; Hiroshima, 114,231.

I have, &c.,

J. GRAHAM GOW,

New Zealand Trade Representative.

The Hon. Sir Joseph G. Ward, K.C.M.G.,  
Minister of Industries and Commerce, Wellington, New Zealand.

*Trade with China.*—From Japan Mr. Gow proceeded to China. His report on the subject of trade with China is as follows:—

SIR,—

Hongkong, 11th September, 1902.

I have now great pleasure in forwarding you my report *re* business with China.

The first port I visited was Shanghai, which is decidedly the largest commercial city in the East, but unfortunately the foreigners form a small section of the community, the population not exceeding seven thousand. The natives, as in Japan, do not use our products, therefore there is little hope of doing business with Shanghai in the meantime. Sheep are exported from the Shanghai district to all parts of China and Japan; the mutton is very good, and is sold at 2½d. to 3d. per pound. Beef 3d. to 3½d. per pound, and fowls and ducks at prices ranging from 6d. to 1s. each. Game is very plentiful in season, and is sold at extremely low prices. I had a long interview with Mr. Ingles, of Messrs. Jardine, Matheson, and Co., who is chairman of the Chamber of Commerce, and also with Mr. Wright, of Messrs. Butterfield and Swire, the Vice-President; and, from the information received from these gentlemen, it is quite apparent that business between New Zealand and Shanghai is impossible at present. In the course of my interview with the gentlemen above referred to, they told me they had a tremendous amount of correspondence from America and Canada, and find it very difficult to make the merchants of these countries understand the limited market there is in China for their products. I may also state there is no cold-storage at Shanghai.

I arrived in Hongkong last week; here they have got cold-storage of small dimensions. Mr. Galt, merchant, introduced me to Mr. Parlane, manager of the cold-storage company, and in my interview with this gentleman he stated that the business to be done in frozen mutton was very limited. The firm of Messrs. Butterfield and Swire, who have a large fleet of steamers trading all over eastern waters, have a line of steamers running to Australia; two of these steamers are fitted up with refrigerating-chambers. The monthly shipment of mutton from Australia to this port is about five hundred carcasses during the summer, increasing to about fifteen hundred in the winter months, and the greater part of this is sold to the navy and military. I attach herewith the price-list of the cold-storage company, from which you will see the prices are out very fine, and I may say that if it was not for the fact that the meat is carried by the steamers of Messrs. Butterfield and Swire, which firm has an interest in the cold-storage company, there would certainly be nothing whatever in the business. A great portion of the mutton sold here comes from Shanghai; steamers arrive nearly every day with live-stock. The meat-market here is a splendid place; mutton is sold at 3d. per pound, and beef at 2½d., and the quality is very good. I find the butter that is in the Hongkong market just now is New Zealand, but in most cases it is sold as Australian.

*Bacon and Ham.*—The market for these products is very small, and I find that about seventy-five per cent. of the supply comes from America.

The importation of flour is very great; it comes from the Pacific Coast, and is sold here at £6 10s. per ton. New Zealand has a very remote chance of doing business in this line, as special facilities are offered to the merchants in the way of shipping from the ports of San Francisco, Tacoma, and Vancouver, and the rates are very low.

I may state that there is a weekly service from each of the ports mentioned, and the length of voyage to Yokohama is twelve to fourteen days, and to Hongkong twenty-one to twenty-four days.

Freight on flour from any Pacific Coast port to Hongkong is \$5 (Mexican)—equal to 8s. 6d.—per ton.

I have, &c.,

J. GRAHAM GOW.

The Hon. Sir Joseph G. Ward, K.C.M.G.,  
Minister of Industries and Commerce, Wellington, New Zealand.

*Trade with India, Singapore, and Ceylon.*—On leaving China Mr. Gow proceeded to India *via* Singapore and Ceylon. He reports as follows:—

SIR,—

Calcutta, 26th October, 1902.

I have the honour, in continuation of previous correspondence, to report to you some results and impressions of my visits to Singapore, Colombo, and Calcutta.

I left Hongkong on the 13th September, 1902, and arrived at Singapore on the 18th September. I lost no time in calling on the Secretary of the Chamber of Commerce, Mr. Gunn, formerly a bank-manager, and who has been resident in Singapore for thirty-five years. From Mr. Gunn I received every kindness and attention, and in view of his lengthened residence in the place his views are entitled to considerable respect. He kindly placed his services

entirely at my disposal. In the course of a long interview we discussed between us the possibilities of opening up a profitable trade connection between New Zealand and the Straits Settlements. I am sorry to have to report that the general conclusions which I was reluctantly forced to arrive at were not of a very encouraging nature. The local conditions which prevail, as explained to me, were that Singapore was not dependent upon outside supplies, as is the case so much in Europe and South Africa; in short, that they had a plentiful supply of produce in their own country. I made particular inquiries into the possibilities of developing trade relations with New Zealand in respect of meat-importations by means of cold-storage. The result was most discouraging. It was incidentally mentioned to me that about six months before, some Australian gentlemen in Singapore had discussed the possibilities of establishing a cold-storage company. I was informed, however, that nothing as yet had been done in this direction. Mr. Gurn frankly gave it as his opinion that the only outlet which could be looked to with any degree of certainty would be the shipping. Singapore is a port of considerable and growing importance, and a cold-storage company would have to depend on the shipping at the start, the wants of those on land, both native and European, being amply supplied out of their own resources. In support of the contention that the inland trade would require plenty of careful husbanding before it could be possibly made remunerative, Mr. Gunn gave me a few illustrations in proof of his statement. Several Australian firms had at times consigned goods to the Singapore market. The transactions, more often than not, turned out a complete failure. As secretary of the Chamber of Commerce he had often been asked by these consigners to look into these transactions with a view to protecting their interests, and arbitrate between importer and exporter. With rare exceptions these transactions had resulted in losses to people who exported goods to the Singapore market. After careful inquiries I formed this opinion: that if there was a direct steamer service between New Zealand and Singapore and other Eastern ports there were reasonable expectations of a limited market for butter and cheese for the Straits Settlements, but possibly this market would be so small that it might hardly be worth taking up. I am indebted to the courtesy of the secretary of the Chamber of Commerce for a copy of the Straits Settlements Official Year-book for 1901, giving full details of imports and exports, and other interesting statistics covering the same period.

*Ceylon.*—I arrived in Colombo on the 22nd September, and had the pleasure of meeting Mr. Maxwell, late Manager of the New Zealand Railways, who kindly gave me an introduction to the leading firm of timber-importers, Messrs. Walker, Sons, and Company, who, in addition to manufacturing tea machinery, carry out repairs to steamers, and are the largest contractors for buildings in the island. I had a long interview with Mr. E. J. Hayward, the manager, and he kindly prepared at my request the attached letter, giving valuable information regarding the kind of timber suitable for the Colombo market. I ascertained that Ceylon does a good business in Australian timber, which is largely used in the Ceylon Government railway and the Colombo Harbour works extension. There has also been some talk of experimenting in wood paving, but it has not got beyond this stage yet.

I next called on Messrs. Lewis Brown and Co., of Baillie Street, Colombo, who own the Ceylon Ice and Cold Storage Company, a very flourishing concern, receiving fortnightly shipments from Australia by Orient-Pacific steamers and occasional shipments of fish and game from England. I found that Mr. R. Davidson, the acting-manager, was anxious to do business with New Zealand, if such could be arranged and local requirements studied. For instance, the best New Zealand mutton would prove too rich for the Colombo market, where climatic influences are so exacting. What was required and most suitable for the London market would not be equally suitable for Eastern markets, where they do not require meat of the fat and rich kind. Lean meat, with the smallest admixture of fat, is what is alone suitable for the Colombo market. Consequently, the "rejected" or second-quality kind, which was not suitable for the London market by reason of its lacking in fat and richness, would be preferred in a tropical country like Ceylon, where lean meat was found most suitable for the use of the people. Messrs. Lewis Brown and Co. also handle a large quantity of butter and cheese. Messrs. Brown and Co. possess a monopoly of the business, which is a rapidly growing one, even the hill stations, such as Kandy, Hatton, and Newera Eliya being served in the way of cold-storage meat by this firm from Colombo. I attach a price-list which is advertised or circulated as a slip supplement in the local newspapers once a week. From this list you will notice that they receive a higher price for their goods than the cold-storage company of Hongkong, varying in extent from 50 to 100 per cent.

I called, amongst others, upon Mr. John Ferguson, the editor and proprietor of the *Ceylon Observer*, the *Tropical Agriculturist*, author of several works on Ceylon, who has just completed his forty-second year of close association with Ceylon journalism. He gave me a copy of the Ceylon Directory, which contains, amongst a mass of other information, the imports and exports of Colombo.

*Calcutta.*—Calcutta proved the most disappointing of all the places that I visited. Compared with Ceylon, the cost of living is absurdly cheap. In Calcutta they seem to have at their doors everything they require in the way of produce. John Bathgate, Esq., a member of the City Council and River Commission, who is well known in New Zealand, kindly accompanied me on my tour of inspection of the public market, where I found fresh mutton and beef being retailed at 3d. and 4d. per pound; eggs, 3½d. per dozen; chickens, 4d. each; fowls, from 6d. to 1s. each; pigeons, 3d. each; and snipe, 2d. each. The best quality of butter from the Government farm sells at 1s 4d. per pound, and second-quality butter from 10d. to 1s. per pound. There is a very small demand, I found, for cheese. The daily supply of mutton for the Calcutta market is sixty-six sheep. As regards prices and lack of remunerative openings, the same remarks apply to Bombay and Madras and the other large cities of India. India is really an agricultural country, and I was informed that 83 per cent. of the population were settled on the land. Messrs. Nelson Bros. were here several years ago with the intention of starting a cold-storage business. After exhaustive inquiries they decided that it would not be remunerative in Calcutta, so that the chance of introducing New Zealand produce was abandoned for the time being.

I paid a visit to the existing cold-storage stores, the Linde Refrigerating Company. The manager, Mr. Hogg gave me a hearty welcome and kindly showed me over the works, which are very large and extensive, and in ridiculous excess of the actual requirements. The storage-space available at the time of my visit was 30,000 cubic feet, and under construction was space for an additional 19,000 cubic feet. Even the manager admitted that this extensive development of their works was, in view of the conditions of trade, a grave mistake, and calculated to have costly results. This has since been proved, as 8,000 cubic feet of space was amply sufficient to satisfy the wants of Calcutta for years to come; but, instead of being satisfied with so moderate an estimate, they decided upon an ultimate extension to 60,000 feet. When I visited the Linde Refrigerating Works I noticed about 1 ton of bacon, 5 cwt. of cheese, and a dozen brace of grouse. I noticed no butter. Mr. Hogg finally stated that as long as native mutton and beef can be sold wholesale at 3d. per pound there is very little chance of his works being extensively used for the purpose of frozen-meat storage. The principal business of the company is manufacturing ice, for which there is always a large demand both in Calcutta and the surrounding districts.

*General Conclusions.*—To sum up and attempt some deductions from these general impressions I may say I have given considerable thought to the possibilities of New Zealand capturing a share of the Eastern market. The question of steamer freight is the ruling consideration amongst the mercantile community in the East to-day. I have therefore come to the conclusion that the most likely way to secure trade relations with the Straits Settlements, India, and its "pendant" Ceylon, would be for Sir Joseph Ward, the Minister of Commerce, to open up correspondence with the Japanese Minister of Commerce, and place before him the possibilities and the reasonable likelihood of Japan developing a large business for their goods in New Zealand. Japanese steamers (the Nippon Yusen Kaisha in particular) of different lines now ply between England and both Australia and China. My suggestion is that, instead of Melbourne or Sydney, Wellington should be made the last port of call. A monthly service could be established, and if the requisite refrigerating machinery was fitted up on these Japanese steamers I am confident that they would soon be able to build up a large business—first, by carrying the produce of New Zealand to Japan, China, the Straits Settlements, and Ceylon, and, secondly, by carrying goods at a reasonable rate of freight they could pick up a large amount of cargo at Shanghai, Hongkong, Singapore, and Colombo for Australian and New Zealand ports.



As an instance of the anomalies in the matter of freight which merchants have to put up with, I might just state in conclusion that, according to the rates of freight prevailing on a well-known steamship line, it is cheaper for the Ceylon merchant to consign his produce to Melbourne or Sydney *via* Hongkong than it is for him to ship it to an Australian port direct.

I have, &c.,  
J. GRAHAM GOW.

The Hon. Sir Joseph G. Ward, K.C.M.G.,  
Minister of Industries and Commerce, Wellington, New Zealand.

#### COMPULSORY GOVERNMENT GRADING OF GRAIN.

Representations have been made to the Department that steps should be taken in the direction of the compulsory grading by the Government of all grain for export, with a view of making the official certificate of quality and weight the basis of all oversea transactions.

As this was a matter which very closely concerned the different grain brokers' and buyers' associations in the colony, steps were taken to consult and obtain an expression of opinion from such associations. The two principal objects sought to be attained were stated as follows: (1.) Independent and reliable sampling. (2.) A common agreeable basis between buyer and seller on which to determine all questions of weight and quality.

An expression of opinion was invited as to whether in the opinion of the different associations such a step would assist export business, particularly with the Commonwealth and South Africa. In every instance, with one exception, the reply was in the affirmative.

I append the following replies, which show the almost unanimous opinion of the trade as to the desirability of establishing compulsory grading of grain for export.

SIR,—  
Dunedin, New Zealand, 3rd March, 1903.  
I have to advise, in reply to yours of the 25th February, that at a meeting of my association, held to-day, which embraces practically all the produce-shippers at this port, it was unanimously resolved to accord the matter of the compulsory grading of grain for shipment beyond the colony every support.

I was asked in reply to mention that it was the opinion of each individual member present that great good would result from such a course being adopted. Hoping this may assist you in the direction indicated,

I am, &c.,  
W. ERIC REYNOLDS,  
Chairman, Dunedin Grain-buyers' Association.

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

SIR,—  
Invercargill Grain-brokers' Association, 9th March, 1903.  
I am in receipt of your favour of the 24th ultimo, and have delayed replying to same till the matter received consideration by this association at a meeting called for the purpose yesterday afternoon.

The feeling of the meeting was strongly in favour of compulsory Government grading of grain, something on the lines of that at present in vogue in connection with dairy-produce and hemp. You will recognise that this association, although it may be anxious for the grading of grain by your officials, cannot make it compulsory for the buyer to accept same without all the South Island associations acting in concert and agreeing to make your certificates the essence of contract regarding weights and quality. You will thus gather that the idea in the main was agreed to, but it was recognised that the details would have to be well considered. It was the opinion of the meeting that short feed should be graded into A, B, and C qualities, and anything below that should go ungraded, and that long oats, such as white and black Tartars, should be graded into first and second quality. In fact, it would appear necessary that Canterbury and North Otago ports should have a different certificate to Southland. It was not considered advisable to have this certificate in operation between the merchants and the producers, for various reasons, chiefly owing to the fact that the oats would have to be graded twice—*i.e.* when they came down from the country and later on when they were shipped—and also owing to the fact that at present there is not much difficulty in settling grading disputes with the farmers. Should any dispute arise at any time, the Government Grader's services could then be called in on any special line, if necessary.

This will give you briefly the ideas of this association, and it was resolved unanimously that we fall in with your Department's suggestion provided other South Island associations do likewise, and that the grading only applies to export work.

Of course the feeling of the meeting was that it was no good trying to arrange this business at one port only, and we thought we would not commit ourselves to supporting the proposed scheme unless our northern neighbours did likewise, and acted jointly in demanding of Australian and African buyers that they accept your certificates as final as regarding weight and quality.

With the idea of co-operation, we are now in communication with the other associations.

Yours, &c.,  
M. C. FEATHERSTONE,  
Honorary Secretary.

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

SIR,—  
Oamaru, 12th March, 1903.  
Your letter of the 24th ultimo came duly to hand, and was laid before a meeting of grain-merchants specially convened for its consideration, when the following resolutions were unanimously agreed to, *viz.* :—

1. "That the proposal *re* compulsory grading of produce for shipment outside the colony is very desirable."
2. "That a thoroughly competent, reliable local grader should be appointed for each port of shipment."
3. "That the grader's certificate of quality be accepted as final between buyer and seller, and that weights at port of shipment be the basis on which all sales be made."
4. "Seeing that a large proportion of our produce is railed straight from country stations to vessels, and therefore the railway weighbridge has to be depended on for weights, the Government be urged to see that such weights are thoroughly reliable. To insure this it is suggested that a reliable officer of the Railway Department be placed in charge of the weighing, who shall see each truck carefully weighed when full, and immediately reweighed when discharged, so as to obtain the correct tare. The Department then to issue promptly an official certificate of weights, at the same rate as is now charged for weighing."

I have, &c.,  
JOHN H. BARR,  
Secretary Chamber of Commerce.

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

## APPENDICES.

## A.—STEAM SERVICE TO SOUTH AFRICA.

## COPY OF CONTRACT.

AGREEMENT made this eleventh day of October, one thousand nine hundred and two, between His Majesty, in right of his Colony of New Zealand (who, with his successors and assigns, is hereinafter referred to as "the King"), of the one part, and Kinsey, Barns, and Co., of Christchurch, shipping agents, for and on behalf of the New Zealand and African Steamship Company (hereinafter referred to as "the Contractors"), of the other part, witnesseth that it is hereby mutually agreed between the parties hereto as follows, that is to say,—

1. In this agreement the following words and expressions shall, unless the context otherwise requires, have the meanings herein given to them :—

"The Government" means His Majesty the King, his heirs and successors, acting by His Majesty's Government in the said colony.

"The Postmaster-General" means the Postmaster-General of the Colony of New Zealand.

"Mails" includes all matter which under the law in force in the said colonies respectively may be transmitted by post.

2. This contract shall remain in force for the term of three years from the date hereof, subject to determination as hereinafter provided.

3. The Contractors will from time to time, and at all times during the continuance of this contract, provide and maintain steamers of the character and capacity hereinafter mentioned, and despatch one of such steamers twelve times during each year, and as nearly as possible monthly, from a safe port in New Zealand, to be appointed by the Contractor and approved by the Government (hereinafter called "the port of departure"), to South Africa *via* Fremantle, as hereinafter provided.

4. Each such steamer shall, besides the port of departure, call at not exceeding three other safe ports in the colony, the names of such ports to be submitted, and approved of by the Government from time to time (hereinafter called "the loading-port").

5. The Contractors shall at their sole expense advertise the proposed dates of the sailing of each ship from each port in New Zealand, in such newspapers or in such other manner and for such time as may be agreed upon, or, in default of agreement, may be appointed by the Government.

6. Each such steamer shall be in good seaworthy condition, of modern build, and shall be of not less than about 5,000 tons gross register, and having a measurement-capacity for cargo of not less than 4,000 tons.

7. Each such steamer shall contain excellent L.G.R. passenger accommodation for not less than twenty to thirty saloon passengers, and shall provide when required accommodation in light and well-ventilated quarters for such number of steerage passengers (not exceeding 250) as the Government may from time to time, after reasonable notice, direct the Contractors to provide. Such accommodation shall be in every respect equal to the accommodation provided for the respective classes on board steamers engaged in a similar trade to South Africa.

8. The Contractors shall provide on board the said steamers such space for the carriage of mails as the Postmaster-General of the Colony of New Zealand may from time to time require.

9. The said steamers shall be fitted throughout with electric light.

10. Each such steamer shall provide, if and when required, suitable accommodation for the safe carriage of about one thousand head of full-grown cattle on deck and in shelter deck, and also ample water-ballast tanks for fresh water for the use of the animals carried.

11. Each such steamer shall be properly insulated for the carriage of refrigerated cargo equal to 100,000 carcasses of mutton, and shall be fitted with modern refrigerating machinery, which shall be at all times maintained in efficient working-order by the Contractors. The freezing-chambers for the carriage of refrigerated cargo shall immediately before or on arrival at the first port of loading be cooled down to a maximum of 15° above zero for at least twenty-four hours prior to taking in such cargo, to the satisfaction of an officer appointed by the Government, or, failing such appointment, to the satisfaction of Lloyd's agent; any such inspection to be at the expense of the Government.

12. Steamers shall replenish their bunkers with coal upon arrival in New Zealand and before commencing to load, at a West Coast port whenever it is reasonably possible, at which port steamers will be free of pilotage and all port charges excepting light dues.

13. Upon the name of any port of departure or loading-port being submitted to the Government, the Government shall forthwith and without either delay approve or disapprove of the same, and in the latter event will forthwith submit the name of the port the Government approves of as a port of departure or loading-port, and the reasons for such disapproval and substitution, and no such substitution shall be made unless the Contractors are guaranteed not less than 300 tons of cargo at such substituted port.

14. The Contractors shall on each outward voyage from New Zealand call at Fremantle in Western Australia, and, provided they are unable to obtain a full cargo in New Zealand, shall also be at liberty to call and take cargo at one other port in Australia *en route*.

15. The Contractors shall not be obliged to carry cargo from New Zealand to Fremantle in any one voyage to a greater extent than one-sixth of the steamer's cargo-capacity, and the rates of freight from New Zealand to Fremantle charged by the Contractors shall not exceed the rates

current from Sydney and Melbourne to Fremantle by more than 25 per cent. Whenever it is reasonably possible the Contractors shall give precedence to cargo from New Zealand to South Africa to any cargo from New Zealand to Fremantle.

16. Each such steamer shall discharge at Fremantle, and also at Durban, Port Elizabeth, and Cape Town (which latter are hereinafter called "the South African Ports"). Provided that the Contractors shall not be obliged to discharge cargo at any of such South African ports if cargo shall not have been shipped for any of such ports to the extent of not less than three hundred tons, but shall be entitled to tranship such cargo at any one of the said South African ports, paying all coastal freight, but at the shipper's entire risk.

17. Lighterage at Durban and Cape Town, if at any time necessary, shall be at the Contractors expense, but at the shipper's risk. Lighterage at Port Elizabeth to be at the shipper's risk and expense.

18. Each voyage from Fremantle to the first South African port of call shall be completed at an average ocean speed of eleven knots per hour. Provided that before the Contractors shall employ in the service under this contract any steamer having an average ocean speed of twelve knots or more per hour the written consent of the Government must be first obtained.

19. In the event of any steamer failing to complete the voyage from Fremantle to the first South African port of call at an average ocean speed of eleven knots per hour, after making any deduction of time authorised by paragraph 20, then and in such case there shall be deducted from any subsidy payable in respect of such voyage such sum of money as the Government shall deem reasonable, but not exceeding the rates hereinafter specified. Provided that there shall not be deducted in respect of any one voyage a greater sum than five hundred pounds: that is to say,—

For the first half-knot or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of fifty pounds.

For the first knot or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of one hundred pounds.

For the first one and a quarter knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of one hundred and fifty pounds.

For the first one and a half knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of two hundred pounds.

For the first one and three-quarters knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of three hundred pounds.

For the first two knots or less per hour by which the actual average ocean speed shall be below the average ocean speed hereinbefore mentioned, the sum of five hundred pounds.

And, in the event of any steamer completing the voyage from Fremantle to the first South African port of call at a greater average speed than eleven knots per hour (after making the allowance of time authorised by paragraph 20), then and in such case there shall be added to the subsidy payable in respect of such voyage and paid to the contractors such sum of money by way of bonus as the Government may deem reasonable, but not less than at the rates hereinafter provided, and not exceeding in respect of any one voyage the sum of five hundred pounds, that is to say,—

For the first quarter-knot or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of one hundred pounds.

For the first half-knot or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of one hundred and fifty pounds.

For the first three-quarters of a knot or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of two hundred and twenty-five pounds.

For the first knot or less by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of three hundred and fifty pounds.

For the first one and a quarter knots or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned, the sum of four hundred and fifty pounds.

For the first one and a half knots or less per hour by which the actual average ocean speed shall be above the average ocean speed hereinbefore mentioned the sum of five hundred pounds.

The actual average ocean speed for the purpose of this clause shall be ascertained over such portion of the voyage as lies between outside the limits of the Port of Fremantle and outside the limits of the first South African port of call, and the entries duly and properly made by the captain of such steamer in his log-book shall be received as conclusive evidence of the time occupied by the voyage. It is agreed for the purpose of arriving at such average ocean-going rate of speed that the mileage outside the limits of the above-mentioned ports is as follows:—

Between Fremantle and Durban	...	...	...	4,400 nautical miles.
"	"	Cape Town	...	5,060 "
"	"	Port Elizabeth	...	4,600 "

20. Provided always that, in the event of any such steamer carrying live-stock being compelled by stress of weather to slow down, or alter or deviate from its course, or otherwise delay its voyage

for the safety or benefit of such live-stock, the time lost on such voyage by reason thereof shall, for the purpose of every provision of this agreement, be deducted from the actual time occupied by the steamer on such voyage; and the entries duly and properly made by the captain of such vessel in his log-book of the circumstances aforesaid and of the delay thereby caused in such voyage shall be received as conclusive evidence thereof.

21. Provided always that no such sums shall be paid or received by the Contractors in respect of any voyage made during the first twelve months if the Contractors shall exercise the power of determination expressed in the 26th paragraph hereof; but if such power of determination shall not be exercised, such sums shall be paid or received by the Contractors, as the case may be, at the same time as the subsidy of £30,000 is payable to them under the provisions of this agreement, and during the residue of the term of three years herein provided such sums shall be paid or received by the Contractors, as the case may be, at the conclusion of each such voyage.

22. The Contractors will convey all mails which the Postmaster-General shall at any time require the Contractors to convey between the said colony and Western Australia, and between the said colony and Natal and Cape Colony: provided that all matter sent by the Postal authorities by parcel post shall be paid for by the Government at the same rates and upon the same terms as are now payable in respect of such matter per direct steamer from New Zealand to London.

23. No payment shall be made to the Contractors in respect of the carriage of mails, or of any service tendered in connection therewith other than as provided by the preceding paragraph, and other than the subsidy hereinafter mentioned.

24. The Contractors shall be responsible for all damage or injury to the mails placed on board however the same may be occasioned—the act of God and the King's enemies, fire, restraints of princes rulers or people, shipwreck, accidents, and dangers of the seas and of navigation of whatever nature or kind, excepted.

25. The rates of freight from New Zealand ports to South Africa are to be not more than as follows:—

*General Cargo.*

	£	s.	d.	
Wheat	1	10	0	per ton of 2,240 lb.
Flour	1	10	0	"
Barley	1	12	6	"
Oats, oatmeal, and wheat-meal	1	15	0	"
Bran	2	0	0	"
Potatoes, in sacks	2	0	0	"
Hay, oaten or meadow, pressed in bales	1	17	6	per ton of 50 cubic feet.
Potatoes, in boxes	1	17	6	"
Tallow, oleo, mutton-fat, &c.	2	0	0	per ton of 2,240 lb.
Grass-seed	3	0	0	"
Clover-seed and shelled fog, in bags	2	0	0	"
Case-goods—milk, extract of meat, cheese, &c., in cases	2	5	0	per ton of 40 cubic feet.
Preserved meats	1	15	0	"

(All above *plus* 10 per cent. primage, of which 5 per cent. is to be returned to shippers.)

*Freezing-chamber.*

Butter in boxes, frozen before shipment	¾d.	per pound net weight, without primage.
Butter in kegs, frozen before shipment	¾d.	per pound more, without primage.

The Contractors to pay coastal freights from grading-ports to loading-ports (if the steamer does not load at a grading-port) up to 10s. per ton weight, the balance (if any) being paid by shippers.

The following scale of summer rates now ruling is fixed for the purposes of this contract, namely:—

Poultry, in cases, frozen before shipment	1s. 6d.	per cubic foot.
Rabbits	} Packed in cases, and thoroughly frozen before shipment	... .. 1s. 3d. "
Hares		
Boned meat		

(All above *plus* 10 per cent. primage, of which 5 per cent. is to be returned to shippers.)

Mutton, pork, or veal	¾d.	per pound.
Mutton, haunches, legs, or mutton in crates	⅞d.	"
Lamb	⅞d.	"
Beef	⅞d.	"
Kidneys and sweetbreads	¾d.	"

(All above less 5 per cent.)

Horses and cattle, full-grown	£12 10s.
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(This rate provides for fittings, water, and accommodation for fodder to the extent of half a ton weight per animal, but not to exceed 60 ft. measurement.)

Bull, stallions, and other descriptions of live-stock, as per special agreement.

All other cargo, both general and refrigerated, at summer rates ruling at the date of this contract.

26. At the expiry of twelve months from the date hereof the Contractors, if they shall be of opinion that the trade does not offer sufficient inducement to them to continue the service, may, by giving one month's previous notice in writing to the Minister of Industries and Commerce to

that effect, determine this contract, and thereupon the Contractors shall not be entitled to any subsidy for the service under this contract for such twelve months.

27. The Government will pay to the Contractors the subsidies following, that is to say,—

(1.) At the expiry of the period of twelve months from the date hereof (if the Contractors shall not have exercised the power of determination provided for in the preceding paragraph) the sum of thirty thousand pounds (after making the deductions or additions, if any, authorised by this contract) :

(2.) During the residue of the said term of three years, a subsidy at the rate of £30,000 per annum payable proportionately on the departure of each steamer on each voyage from the final loading-port in New Zealand.

28. This contract shall not be assigned, underlet, or disposed of unless the consent of the Government (by some Minister thereof) in writing has been first obtained.

29. From all the provisions of this contract there shall be excepted the act of God, the King's enemies, restraints of princes rulers or people, fire, shipwreck, and dangers and perils of the sea and of navigation of every kind.

30. Any notice which may be given to the Contractors under the provisions of these presents shall be deemed to have been duly served if it has been sent to the Contractors or to their agents at the port of departure by registered post, addressed to the Contractors' or their agent's last known place of business.

31. Any right, power, authority, or privilege conferred on the Government by this contract may be exercised or enjoyed by the Minister of Industries and Commerce for the time being, or the person from time to time performing the duties of that office, and any written instrument or notice required to be served upon or given to the Government under or in pursuance of any provision herein contained shall be deemed to have been regularly served or given if the same is delivered or given to such Minister, unless express provision is made to the contrary.

32. The Government may at any time, and from time to time, delegate all or any of the powers vested in them by virtue of these presents to such person or persons as they may think fit.

33. If any doubt, dispute, or difference of opinion touching any matter arising out of this contract, or in anywise connected therewith, shall arise between the Government and the Contractors the same shall be referred to arbitration in accordance with the provisions of "The Arbitration Act, 1890," of New Zealand.

34. This contract shall be subject to confirmation by the New Zealand and African Steamship Company, which confirmation shall be obtained within three months from the date hereof, otherwise this agreement shall be cancelled and determined.

As witness the execution hereof by the parties hereto.

J. G. WARD,  
Minister of Industries and Commerce.  
KINSEY, BARNES, AND Co.,

As Agents for the New Zealand and African Steamship Company.

Signed in the name and on behalf of His Majesty the King  
by the Honourable Sir Joseph George Ward, K.C.M.G.,  
Minister of Industries and Commerce, in the presence of—  
LEOD. G. REID, Solicitor,  
Wellington, N.Z.

Signed by Messrs. Kinsey, Barnes, and Co. as Agents for the New  
Zealand and African Steamship Company.  
C. P. SKERRETT, Solicitor,  
Wellington, N.Z.

## B.—ANNUAL REPORT OF THE NEW ZEALAND PRODUCE COMMISSIONER IN LONDON.

Westminster Chambers, 13, Victoria Street, London, S.W.,  
15th April, 1903.

SIR,—

I have the honour to submit my annual report on the work done by me as Produce Commissioner during the past twelve months.

### REPORTS.

As in previous years, reports on matters affecting the several lines of produce exported from New Zealand to this country have been regularly made by me, and forwarded to the colony. Of these fifty-three were submitted, the subjects treated being of great variety. Included were the following: Mutton, lamb, beef, butter, cheese, wool, tallow, hemp, cocksfoot-seed, poultry, feathers, eggs, fruit, and fruit-pulp. Special reports were also made on milk-blended butter, colonial exhibits at dairy show, Siberian butter trade, fraudulent meat-sales, condemned mutton-consignments, distribution of New Zealand meat, defrosting of New Zealand meat, standard grain samples, South African cold-storage, and War Office contracts.

### CABLEGRAMS.

Weekly cables have been sent to Wellington giving the prices for the various lines of New Zealand produce, together with information concerning the state of the markets therefor in this country. This year the particulars supplied by these cables have been to some extent increased, and new items of interest have been furnished. Statistics of the quantities of meat and dairy-

produce received from the Argentine Republic at various British ports, also the prices thereof, have been cabled monthly. Information concerning the wool-market, together with prices for the various descriptions of New Zealand wool, have likewise been sent during the currency of the sales here.

## GENERAL.

The system followed by me during recent years of keeping in regular and close touch with merchants handling New Zealand produce in this country, in order to be in a position to ascertain with accuracy what was being done in the markets, has been continued. The antipathy noticeable a few years ago of many traders to give information concerning the lines they handled has, I am glad to say, been steadily lessening. Now various matters of importance are brought under my notice which formerly were not. Many traders are realising that the particulars asked of them concerning the produce are not desired solely with the object of promoting trade competition, but for the purpose of effecting improvement in quality and methods of handling, and that, while the information obtained is for the benefit of the producers generally, its dissemination may also effect considerable advantage to themselves.

During the year assistance has been afforded me in the office, Mr. R. H. Hooper, formerly of the Dairy Commissioner's Office, Wellington, having been appointed. The information possessed by him, being newly from headquarters, has been of much value to me. One result of this assistance has been that it has enabled me to devote increased attention to outside matters. I also have been able to undertake more extended visits than formerly to the various centres of distribution throughout the country, without a break taking place in the continuity of the weekly cables and general London work, as previously my absences occasionally entailed.

## LECTURES.

I have been able during the winter months to accept opportunities afforded me of delivering in various centres lectures, illustrated by limelight views, on New Zealand. These lectures were prepared by me with the object of interesting likely settlers or tourists in the colony, and, judging by their reception, I consider that this branch of work is worthy of further development. The commencement made this year has been encouraging, and I am hopeful that next season it will be possible to make considerable extension in this direction.

## PRICES FOR PRODUCE.

One very pleasing feature of the year in regard to most of the lines of produce, concerning which cables are regularly sent to Wellington, has been the very high values ruling for them during the twelvemonth. The average for nearly all these lines has been higher than in former years. With most of them records in price have been established. The following list shows the highest point touched by each of the products referred to, together with the month in which these top values were realised:—

Canterbury mutton	...	...	5½d. per pound	December.
North Island mutton	...	...	5½d. "	"
Lamb	...	...	6½d. "	February.
Beef, hind-quarters	...	...	5½d. "	July.
Beef, fore-quarters	...	...	4½d. "	May.
Butter	...	...	£5 15s. per cwt.	December.
Cheese	...	...	£3 10s. "	March.
Hemp (G.F.W.)	...	...	£37 per ton	May.
Cocksfoot-seed (17 lb.)	...	...	£3 5s. per cwt.	January.

As showing how unexpected in my estimation was the rise to such prices, I may mention that when, two years ago, compiling the special produce code for use between this office and the colony I fixed what were then believed to be very wide limits for the quotations. Although the top limits determined on were considerably above any anticipated, or above any that had been reached during many previous years, in six of the products quoted for they were exceeded.

## WAR OFFICE CONTRACTS.

The various contracts of the War Office, so far as the produce of New Zealand was concerned, have been closely watched, and under your instructions I have had several interviews with the Director of Army Contracts. In contracts for meat supplied to troops in military stations in this country, the War Office during the year inserted a clause to the effect that if frozen mutton was supplied it must be that from British colonies exclusively. The contracts under the new condition commenced on the 1st December. At that time, unfortunately, there was a great scarcity of colonial mutton on the market, and it was felt by some of those interested in the colonial trade that the introduction of the clause at that time might have the effect of directing the attention of the War Office to the fact that colonial meat might occasionally be in short supply, and that therefore prices which would have to be paid for it would be higher than they anticipated. It was also expected that contractors, owing to the scarcity and high price of colonial mutton, would be tempted to substitute River Plate mutton. The contracts, however, were let on the condition indicated. Shortly afterwards information was received at this office from parties interested in the colonial meat trade that meat as stipulated was not being supplied by all contractors, but that, as anticipated, foreign meat was being delivered instead. In order to investigate these allegations, under your instructions I visited a number of the southern, north-eastern, north-western districts, and in Scotland. With two or three exceptions, I found that colonial meat was being supplied by the contractors. The bulk was ewe mutton, most of which was from New Zealand, the remainder being chiefly Australian. The quality in nearly every case was satisfactory, and the accounts I received from the officers indicated that the mutton delivered under the new contract was of much

better quality and gave greater satisfaction than that previously supplied. In a few instances, as stated, I ascertained that there was cause for the complaint as to the substitution of foreign meat for colonial. I found River Plate and United States mutton being delivered, and to these carcasses tags of leading New Zealand refrigerating companies were attached. These had undoubtedly been applied for the purpose of fraud. The military authorities were naturally misled by them, and had accepted the foreign carcasses believing them to be colonial.

Reports were made to me during my tour of inspection, by parties in whom I could place reliance, that it is not an uncommon thing for persons to offer a tempting price for tags that have been taken off New Zealand sheep. It is well known that the purpose for which these tags are wanted is that they may be attached to sheep from other countries. I have on various occasions when reporting to you alluded to the unsatisfactory system now in force in New Zealand of attaching to the leg a tag and enclosing the meat in marked wrappers, both of which are easily removed and placed on other meat. It is quite insufficient as a guarantee to consumers of the source of origin, and easily lends itself to dishonesty. I have found in my experience that governors of workhouses and other large institutions where large quantities of meat are consumed have refrained from stipulating in their contracts that New Zealand meat must be supplied owing to the want of proper means of identification.

#### MUTTON.

Taken as a whole the market for New Zealand meat—mutton, lamb, and beef—must be considered satisfactory. For the greater part of the twelvemonth prices for mutton were above the average of the past few years. Unfortunately, although prices have been good, that steadiness of trade which is so important for the establishment and extension of distribution throughout the country was not experienced. New Zealand, although sending during 1902 38,892 carcasses more than in 1901, forwarded her consignments with such irregularity that it was impossible to maintain a steady trade in the colony's meat. For the first seven months of the year the numbers received each month from New Zealand were satisfactory and sufficiently regular for all purposes; then during the following two months shipments were doubled, while during the last quarter of the year the supplies received were not nearly sufficient to meet the ordinary market demands. During the first seven months the average number of carcasses received monthly was 155,968; during each of the two following months, 297,985; and during each of the last three, only 64,072. It can therefore be readily seen how impossible it was to keep the New Zealand trade together and in a satisfactory condition. I consider that the loss to the colony resulting from the stoppage of distribution and retail sale owing to curtailment of supplies must prove far greater than the gain made from temporary high prices.

River Plate shippers had been closely watching movements in New Zealand, and when shipments from there fell off those from Argentina were increased, and the opportunity was taken of pushing River Plate mutton into those channels of outlet formerly held by New Zealand. Prices were kept moderate, and every means was used to induce retailers who had previously handled New Zealand mutton to deal in River Plate. Markets in many districts, that had previously been prepared for the reception of River Plate meat by the opening of retail shops where that meat was sold, were greatly developed by the extension of shipments to new ports convenient to these centres.

Regularity of supply must be insisted on if the trade in this country is to be developed and permanent good attained. Without it trade cannot grow, and business will always be speculative. The methods adopted by River Plate shippers are in strong contrast to those obtaining in New Zealand. Unless there is a drastic change in New Zealand methods the colony must fall behind, and Argentina will forge ahead, in the development of the frozen-meat trade of this country.

The quality of New Zealand mutton received showed little difference from that of former years, although for some time complaints were made of the scarcity of "prime Canterbury." Complaints on several occasions reached me of consignments of inferior mutton—especially ewe mutton—being sent from New Zealand to the detriment of the better-class trade here. Many of the ewes, of course, I saw; and, while a large proportion of them were very fat and wasteful, no objection could fairly be taken to placing them on the market. They were good wholesome meat; and, being sold at low prices, gave satisfaction to those buying them. Personally I would much prefer that such ewes were not sent Home. Being, as stated, sold at a low figure, they naturally attract buyers to the neglect of the better-class meat, while they do not help to increase the reputation of New Zealand mutton. In making my visits of inspection to the military stations I found, as already mentioned, that the supply of frozen mutton for the use of the troops by contractors afforded a good outlet for this class of meat, and that at most of the stations it was being used.

I regret, however, having had to report during the year the arrival of a few consignments of mutton of such very inferior quality as to warrant the larger portion of them being seized by the Health authorities, when put on Smithfield Market for sale, and condemned as unfit for human consumption. I greatly deplore that such meat should have been shipped from the colony. I have been doing what I could to prevent River Plate and Australian meat being sold as "New Zealand," and have been trying to uphold the good name of our mutton throughout the country; but, if a few irresponsible shippers send forward meat such as that in question, any attempt at this end to improve the condition of the market for New Zealand mutton will be frustrated. It is most short-sighted policy to ship inferior meat such as that complained of. It is playing directly into the hands of our trade competitors. There is nothing to prevent River Plate companies, who now own numerous retail shops throughout the country, buying up such New Zealand meat of very inferior quality as they can secure, placing it in their shops beside their own meat, and directing public attention to it by advertisement. Demonstrations such as this could be made most injurious to our producers.

## LAMB.

New Zealand lamb is now well recognised throughout the country, and the prices realised for it during the twelvemonth have been satisfactory, the average for "prime Canterbury" being given in the official trade record as 5½d. per pound. I have been pleased to observe a steady increase in the number of butchers who, hitherto confining their attention to English meat, have in the past year been stocking New Zealand lamb and openly advertising that they are selling it. In conversation with several of these parties, they admitted that it is giving entire satisfaction to their customers, who praise its quality.

The large increase in New Zealand lamb imported into the United Kingdom during 1902 over 1901—namely, 393,587 carcasses—must be noted with satisfaction. Arrivals of River Plate lamb this season show a considerable increase over those received for the same period last year, although the number is not as great as had been expected. Last year, from the beginning of the season until the end of March, 37,169 carcasses were received from Argentina, while this year the number has increased to 88,610. Values of River Plate lamb at the 31st March were 5d. to 5½d.

## BEEF.

New Zealand beef has during the year again shown the fluctuations of price so noticeable in former years, being greatly dependent on the supply of American chilled beef. The average price, however, must be considered good, and is greatly in advance of that realised for any recent year. The quality has given satisfaction on the market, much of it being very superior.

## FRAUDULENT MEAT-SALES.

Complaints have again this year been frequently made by butchers selling New Zealand meat of the severe handicap they experience in their business from the fraudulent practice of competitors in trade selling River Plate mutton and lamb as "New Zealand" or "prime Canterbury." The difficulty, however, of getting evidence to secure the conviction of an offender is very great. Acting on your instructions, I laid an information under the Merchandise Marks Act against one of the parties complained of. I was able to prove that this butcher, although advertising that he was selling New Zealand mutton, had nothing in his shop but River Plate meat, which he substituted for it. The Magistrate convicted him, and imposed a fine of £5 and costs.

I desire again to emphasize what I have during the past number of years repeatedly said, that this fraudulent practice is general throughout the Midlands and the North, and that it is most hurtful to the improvement of the New Zealand mutton trade. The little advantage that may be gained in price (if any) by the sale by English butchers of New Zealand mutton as English is infinitesimal compared with the loss sustained by the substitution of River Plate meat for New Zealand.

During the year a leaflet was prepared and circulated throughout the country giving general information concerning New Zealand meat. In it the attention of consumers was drawn to the prevalent substitution of other meat for New Zealand, and it was suggested that in order to protect themselves when purchasing they should request to be supplied with an invoice clearly indicating that the meat was New Zealand. A copy of the leaflet is appended to this report.

The subject of the sale of foreign and colonial meat as British by butchers in this country, to which considerable attention was given a few years ago, has recently again been taken up by the British Government. A letter has been addressed by the President of the Board of Agriculture to the National Federation of Meat-traders' Associations and other meat-trade societies, pointing out the illegality of the practice, and stating his intention to take steps to prevent it. A private member's Bill dealing directly with the matter has also been introduced into the House of Commons. The question is one of considerable moment to the meat-exporters of New Zealand. It is well known that a quantity of New Zealand meat—especially mutton and tugs—is sold by butchers in this country as English, and this practice has occasionally been put forward in the colony as an argument against the branding of New Zealand meat. It might be well, so as to be prepared should the British Government put an end to the fraudulent practice, and this argument be removed, to consider the advisability of branding New Zealand meat for export to this country, in order to protect it against the sale of River Plate or other frozen meat as New Zealand.

## MEAT-BRANDING.

I have been making very close inquiry throughout the country as to the result of branding, and am satisfied that the objection made to it, that it would encourage prejudice, and would be hurtful to the sale of the meat, is entirely erroneous. At present consumers know well, except when it is sold to them as English, from the prices they pay for colonial and foreign meat that they are not receiving English, and they purchase it with that knowledge. They do not know, however, whether they are receiving New Zealand or River Plate meat, even though they may ask for the former. There is nothing to indicate this to them. A neat, clear, indelible brand placed on each of the principal joints would be a guarantee of the source of origin, and of the quality of the meat supplied. Not only would such a brand be a guarantee to consumers, but it would afford a good point from which to advertise New Zealand meat exclusively. From the inquiries I have made, I have no hesitation in asserting that, speaking generally, retailers and consumers throughout the country would welcome the introduction by the New Zealand Government of a system of meat-branding such as indicated.

## DAIRY-PRODUCE.

The markets for dairy-produce this season have been good, especially that for cheese, prices of which have reached figures never previously made since the establishment of the first cheese-factory in New Zealand. The quality of the butter, taken all through, has been very satisfactory.



While not showing such notable advance as that of the two preceding seasons, there has been a regularity which has met with considerable approval from the trade. Instances have been met, of course, where faults were noticeable, and in a few cases a tendency to fishiness has been apparent. These faults have been duly noted and brought under the notice of the Dairy Department in Wellington.

I regret having had to report that the closeness of price between Danish and New Zealand butters remarked last year has this season not been maintained. With the exception of a week or two at the opening, when New Zealand butter was quoted as differing from Danish at a margin similar to that which it held at the close of the preceding season—namely, about 2s. per hundred-weight—prices gradually widened, until, taking the average difference in value up to the end of March, there has been a margin of probably 10s. in favour of Danish. This is disappointing, and to ascertain the cause is naturally of considerable interest. While recently visiting the chief centres of distribution I had many conversations on the subject with leading merchants, and I was surprised to find the great differences of opinion expressed as to the reason. I have done my best to arrive at a satisfactory conclusion, but find it somewhat difficult to determine the point. During the past six months—that is, during the period New Zealand butter has been on the market—there has been a considerable increase in the quantity of butter imported into this country from all sources over that landed during the same period last year. It had been anticipated by those interested in New Zealand trade that owing to the drought in Australia supplies from there would be very small, and that consequently the demand for New Zealand butter would be improved. While there was an enormous shortage from Australia as expected—a deficiency amounting to 124,483 cwt.—there was, however, an increase in the total imports during the six months of 92,040 cwt. Furthermore, the total quantity of butter imported into the United Kingdom during 1902 amounted to 3,974,177 cwt., as against 3,702,890 cwt. during the previous twelve months—an increase greater than the whole annual export of New Zealand. As was well known and reported to the colony, a large quantity of this butter had been placed in cold-store. No one knew exactly how much was held, and the market was therefore unusually speculative. Large stocks of this butter were in the hands of those who in the ordinary course of business would have been purchasers of New Zealand butter, and these had to be worked off. Consequently the demand until they were absorbed was dull. Again, Danish butter has shown a considerably increased supply during the present New Zealand season, and has been, on the whole, sold at lower prices than usually made for it at that time of the year. This consequently attracted buyers to it.

Another reason put forward in some quarters for the depreciation in the price of New Zealand butter this year is the “bearing” tactics of some large dealers, who, not holding stocks themselves, offered to clients throughout the country contracts for the supply of New Zealand butter during the season at lower prices than warranted by values paid to producers in the colony. How far this is true I have, of course, no means of ascertaining. That there is some truth, however, in these statements I am inclined to believe, judging from the prices at which I have been informed by merchants throughout the country they have had the butter offered to them. These speculative dealers naturally expected to be able, while probably losing money at the beginning of the season when shipments were light, to recoup themselves as the season advanced and stocks became heavier, by buying at low prices when the market had been forced down by their tactics. It is felt by many that butters coming Home this season on consignment may possibly feel the effect of these operations more than outputs which were sold in the colony and probably had been placed here at the beginning of the season under contract.

I am inclined, however, to think that the regular and steady manner in which Denmark has sent its butter into the markets of this country has had as much to do with the gain in price this season over New Zealand as any other factor. The colony has been disposing of its butter partly on consignment and partly to new purchasers. Brands have consequently been diverted from old channels. Denmark sends regularly the same brands of butter to the same agents in the same centres for the supply of the same customers year after year, and so caters for the markets she has built up. This is not attempted in New Zealand, where the constant changes from consignment to sale, sale to consignment, from one buyer or agent to another, and from one market to the other, are not at all conducive to obtaining the best results.

Last year I drew attention to the increasing competition which was to be expected from Siberia, and I am pleased to observe that this subject has received full attention from the colony's producers, who recognise its importance. This year I have been greatly struck, when visiting the distributing centres throughout the country, with the steady manner in which butter from Argentina is gaining ground. The quantity as yet received from that country is not of very great magnitude, but that the export is rapidly increasing each year will be clearly seen from the following extract from the Board of Trade returns:—

1899	...	...	...	...	...	...	...	226 tons.
1900	...	...	...	...	...	...	...	1,170 „
1901	...	...	...	...	...	...	...	1,512 „
1902	...	...	...	...	...	...	...	4,125 „

The quality of the butter is really good; it is very similar to that of New Zealand. This is shown by the price being usually within 2s. per hundredweight of that of butter from the colony. One notable feature of Argentine butter, and one which secures for it a readier introduction to the markets of the Midlands and the North of England, is that its colour is much paler than that of our butter. The question of colour is, as I have frequently reported, one of very considerable importance in those markets. The rich, deep colour of New Zealand butter is constantly put forward as one of the chief reasons why it does not obtain the footing desired in the districts mentioned. Much of the Danish butter that goes into the large mining and manufacturing dis-

tricts, and which commands a high price there, often resembles lard, and the consumers have got so used to this that they are prejudiced against any having the rich colour of the New Zealand product.

The packing of the butter from New Zealand this season requires little comment on my part. It has been similar to that of former years, and has given satisfaction to the trade generally. I, however, wish again to urge the advantage of altogether making use of the oblong box as being distinctive of New Zealand origin. Cheese-casing this season has shown some improvement, but is not yet, I regret, so good as desirable. Many cases made of rough undressed timber, and in some instances having battens of unequal size and length, have been noticed. Most cheese-factories yet prefer to bind the ends of their cases with wire rather than with light hoop-iron. This I still believe to be a mistake, judging by the number of breakages occurring among the cases. One pleasing feature, however, in regard to cheese-packing this season is the manner in which the cases have been branded. Instead of the stencil formerly so generally used, and which, on reaching this market, was often greatly smudged and disfigured, an impress brand has become the rule, following action taken in that direction by the Agricultural Department in the colony. This, besides giving a neater and more attractive appearance to the cases, has the advantage of being distinct and easily read.

There has been an undoubted improvement in the quality of the cheese received as compared with that of former years. Acidity and feedy flavours have been less pronounced and frequent. With the exception of a few minor complaints at the beginning of the season on the score of want of maturity, few faults have been brought under my notice. By some this might be said to be accounted for by the unusual firmness of the market, for it is generally recognised that when markets are rising and trade is brisk, qualities are accepted that would be objected to in a market where opposite conditions ruled. In the present instance, however, New Zealand cheese is acknowledged on its merits to have marked an advance in quality.

During the year those interested in the butter trade have had their attention directed to the manufacture and sale of "milk-blended" butter. The system adopted by the manufacturers of this article has been to blend with colonial butter, which is selected on account of its low moisture, milk and water, which after manipulation is retained in large quantity, the percentage being shown on analysis to be 25 per cent. and over in many instances. Not only is water used, but butter of very inferior quality is often incorporated in the mixture. I have given considerable attention to this subject, and have attended several meetings held for its consideration. At present there is before the House of Commons a Government Bill dealing with the matter. Reports concerning this have been forwarded to Wellington.

#### HEMP.

It is with great satisfaction that I have to report continued steadiness in the demand for New Zealand hemp during the past year. Although supplies received from the colony have shown a very large increase, stocks have been readily absorbed, and their value has kept nearer to Manila hemp than ever before. The quality of the New Zealand hemp has shown considerable improvement, more care in preparation having seemingly been taken with it than formerly. The system of Government grading introduced has met with approval on the market here, and, speaking generally, has been very satisfactory. While as yet buyers do not rely on the grading when making purchases to the same extent as in the case with dairy-produce, I feel satisfied that when the reliability of the grader's certificate is established business transactions will be greatly facilitated by it.

During the past year there has not been such a large quantity of Manila hemp coming on the London market as formerly. The Americans have been making their purchases and getting their shipments sent direct from Manila to the United States. This, I am inclined to think, has proved of advantage to shipments of hemp arriving here from New Zealand.

#### FRUIT-SHIPMENTS.

A shipment of fruit, consisting of 1,203 cases of apples and 50 cases pears, made by the Styx Orchard Company of Christchurch, was received early in the period under review. Unfortunately, the temperature maintained in the chamber on board the vessel during the voyage had not been suitable for the purpose, with the result that a considerable portion of the shipment was frozen, and so damaged. Consequently, when placed on the market the prices realised were very irregular and unsatisfactory. The result of the shipment as a further test of the London market for New Zealand fruit was, of course, disappointing and of little value.

#### FRUIT-PULP.

Early last season, when it became recognised that the unfavourable weather-conditions would result in the fruit-crop in this country and on the Continent being unusually small, I took the responsibility of advising producers in the colony to take advantage of the opportunity and to test the London market for fruit-pulp by forwarding any consignments that might be available. Several shipments of raspberry-pulp were accordingly received by agents here. These met with a ready sale at prices which must have proved remunerative to the shippers. There were, unfortunately, however, faults in the packing of some of the shipments, which naturally caused considerable loss by damage. Full reports concerning these consignments, market conditions, &c., have been sent to Wellington, and it is to be hoped that the faults pointed out will in future be remedied. The quality of the pulp received has been satisfactory, and favourably commented on by various London jam-makers.

## WOOL.

It is pleasing to record a very substantial improvement in the market for crossbred wools. The twelvemonth opened with the market at almost its lowest ebb. Later on, however, unexpectedly heavy consumption of these classes of wool completely changed the aspect of affairs. October witnessed a turning-point, and at the December sales prices rose about 1d. all round. At the January and March sales prices fluctuated, but at the close of the latter series the December level was firmly maintained for the coarser grades, while the fine classes secured a further advance of about  $\frac{1}{2}$ d. per pound. Taken as a whole, the outcome of the year must be regarded as satisfactory, though, of course, there is still room for much improvement in the price of the coarser grades. A good tone now prevails in the market for all classes, and it is hoped that New Zealand farmers will experience further improved returns in the near future.

Merino wool, largely owing to the Australian shortage, has steadily advanced during the twelvemonth, and occupies a very strong position.

## COCKSFOOT-SEED.

Owing mainly to the American crop not coming up to expectations, holders of New Zealand cocksfoot-seed had, during several months, the benefit of very high prices. The spring demand, however, in this country and on the Continent is reported as having been disappointing, and prices have receded considerably. Buyers during the last month or two have been disinclined to do business, and prospects are not encouraging for a recurrence of last year's rates being paid for New Zealand seed.

## TALLOW.

As indicated for many other lines of produce, the market for tallow during the past year has been a satisfactory one. For a considerable portion of the twelvemonth, consequent on the decreased supplies of mutton and beef from Australia, shipments of tallow received on the London market were in comparatively limited compass. As a result prices hardened, and demand continuing for a considerable time good, the returns obtained by shippers were considerably above those realised for several previous years. All grades were affected by the shortage, and fine tallows rose as high as £1 17s. 6d. per cwt. for best brands. "Premier Jus," which is largely used in the manufacture of margarine, and for which the chief demand is on the Continent, reached £2 9s. per cwt. Tallow exported by the New Zealand refrigerating companies has a good reputation on the London market, and according to the respective brands is well competed for. Towards the end of the twelvemonth, with reports of increased shipments from the colony, the market became inactive, and finer sorts especially, on account of the exceptionally high prices that had ruled for them, became neglected compared with those qualities the values of which were more moderate. At the end of March the prices ruling for "Fine New Zealand Mutton" were £1 13s. to £1 14s. per cwt., and for "Fine New Zealand Beef," £1 11s. to £1 13s. per cwt.

I have, &c.,

H. C. CAMERON,

Produce Commissioner.

The Agent-General for New Zealand, London.

## C.—REPORT OF PRODUCE COMMISSIONER ON A VISIT TO BRITISH PROVINCIAL DISTRICTS.

Westminster Chambers, 13, Victoria Street, Westminster, S.W.,

16th April, 1902.

SIR,—

In accordance with your instructions I have, during the past few weeks, accompanied Mr. Gow, the Trade Representative, on an extended tour of the chief centres of distribution of New Zealand produce in this country. In order to afford Mr. Gow an opportunity of becoming acquainted with the merchants chiefly interested in New Zealand produce to whom I introduced him, and to learn the extent of distribution as well as of obtaining information regarding the favour with which it has been received in these centres, and of the opinions expressed by those handling it regarding it, I have devoted considerably more time than usual to my visits.

At Manchester we found that the difficulties attending the distribution of both dairy-produce and meat are still as great as when I reported to you last concerning them. There does not seem to have been any advance made since last year. Here, as also in Liverpool, we found, as I have previously informed you, a keen desire for direct shipping facilities with New Zealand. The difficulties, however, to which I have on various occasions alluded when writing concerning this matter, still exist. My report made to you on the 27th January, 1899, and which was printed and circulated in the colony as a parliamentary paper on direct trade with Manchester, is still applicable to the present conditions.

In Liverpool the expansion in the distribution of New Zealand dairy-produce has been most satisfactory. The demand, while we were there, especially for butter was extremely keen; prices closely approaching those of Danish being paid for choicest brands. In lamb a good trade was being done, but I regret that both mutton and beef were almost completely neglected.

In the Midlands—taking Leeds and Sheffield as distributing centres—we found considerable headway being made in the distribution of butter, and to a small extent of cheese also. In both these towns New Zealand lamb is gaining in repute, and a satisfactory and increasing sign of distribution amongst the better classes is the manner in which in high-class provision-shops it is being specialised, in a style similar to that adopted by Messrs. Cooper and Co., in Liverpool, regarding which I made a special report to you a couple of seasons ago.

In Hull and Newcastle very little New Zealand produce was to be found, although some small lots of butter have occasionally been tried there. Both these ports, of course, are in close communication with the Continent, and the bulk of Danish butter is landed in this country at one or other of them.

In Scotland, Glasgow is still the chief distributing centre for New Zealand dairy-produce, although Leith is greatly increasing the quantity handled there. In Dundee we found a number of merchants who have been giving attention to our dairy-produce, and these all speak most highly of it, and are anxious to deal more extensively in future in it. We could not hear of any New Zealand meat having been sold in Dundee, but both in Aberdeen and in Inverness we found that New Zealand lamb had penetrated. In the latter town Messrs. Copper and Co. have a high-class retail establishment, and there have offered New Zealand lamb to their customers. The demand, however, as yet in the far north is very limited, but the fact that it has reached there, and that it is highly spoken of by those who have used it, affords pleasing indication of an extensive growth likely to take place very shortly in the distribution.

In all parts visited Mr. Gow and I found that general satisfaction was expressed with the quality of New Zealand butter. The prices, however, realised for it in London and the south have been so high throughout this season—on several occasions touching those paid for Danish—that naturally there has been less opportunity than usual for merchants in new centres to handle it to their advantage. The shortage of supplies from Australia has also been the means of preventing New Zealand butter being more widely circulated than hitherto, all lots offering meeting with a ready sale in the old centres of distribution.

In travelling throughout the country Mr. Gow and I made particular inquiries as to what cold-air storage was available for frozen produce. Owing to the reports which are occasionally circulated in the colony as to the glut of frozen meat arriving in this country, and of the want of storage-accommodation for it, I am inclined to believe that an impression prevails in New Zealand that there are not sufficient cold-stores in existence. I am confirmed in this impression, having noticed occasionally in New Zealand papers remarks to the effect that the New Zealand Government should erect cold-stores in this country. Those who advocate the Government doing this certainly do not know the facts at this end. There is now ample storage provided for all requirements—which is steadily being added to—if only advantage was taken of it by those in whose hands the frozen produce from New Zealand is placed for disposal. The practice, however, of most of those handling it has hitherto been to concentrate everything in store in London. Naturally, the accommodation there being limited, the stores occasionally get full, and glut ensues. Were the stores throughout the country taken advantage of the complaint of want of storage-accommodation so often heard would be overcome. Not only is there ample accommodation now provided for all requirements, but directors of several of the stores we visited are most anxious to secure meat, and are willing to make considerable reductions in their charges from published rates in order to secure business. They are also willing to do all in their power to encourage the distribution of New Zealand meat in their centres direct from their stores. I am strongly of the opinion that if only New Zealand meat was railed in refrigerated vans direct from ship's side to these stores throughout the country instead of being all held in London, it would help greatly to develop the distribution of it throughout the provinces.

While in Hull and Newcastle we made close inquiry concerning the development of the Siberian butter trade with this country. On all hands it is expected that, owing to the encouragement being given by the Russian Government for the development of the farming industry in Siberia, the increase in the production of butter there will shortly become enormous. Very large tracts in Siberia are being opened up to dairy pursuits, and the system adopted by the Russian Government, while being somewhat similar to New Zealand so far as instruction and inspection are concerned, is most elaborate. Special fast trains of refrigerated vans are to be run direct from the dairy provinces to the ports of shipment, a journey occupying in some instances five or six days. A subsidy is being paid to the Wilson Line of steamers of £20,000 per annum, and this company is now building three large steamers specially for the Siberian trade. While the port of Riga may be occasionally blocked with ice in the winter time, the ports further south are to be availed of, so that there may be no interruption to direct shipment all the year round. The climate of Siberia in those districts where dairying is to be carried on is very similar, I understand, to that of Canada. It is not anticipated, therefore, that butter-making will be prosecuted throughout the year. It is believed rather that enormous quantities will be produced during summer, and that instead of shipping the make at one season considerable stocks will be held over in cold-store, and gradually put on the market here regularly throughout the year. Under these conditions I do not anticipate that Siberian butter will compete very hurtfully with our finest New Zealand brands. Of course, large quantities of any butter being put on the market at the same time as ours must to a certain extent hurt the sale, but with the reputation that New Zealand has built up for itself during the past two years for finest quality, I am under the impression that if this superiority is maintained and further improved, as in all probability it will be with care, there ought always to be a ready market at top prices for us.

While in Dundee Mr. Gow and I had the pleasure of being introduced to one of the leading retail merchants there. He informed us that he had been for some time handling New Zealand butter and cheese, and that both had given him the very greatest satisfaction, and that his customers now asked him specially by name for both. He showed us the cheese which he then had on his counter. I was specially interested in this—Awitu brand—as it was the first lot that had come under my notice bearing the impressed brand on the cheese itself. I had previously seen such brands on Canadian cheese, but not on New Zealand. I made inquiry as to the advantage of so branding, and was informed that it is favourably looked upon here, as it affords a guarantee to the purchasers that they are obtaining the New Zealand article. If it is

possible to introduce this system of branding on all cheese in New Zealand I would certainly recommend it being done. The merchant said he considered New Zealand cheese far better value, being quite as good quality as Scotch cheddar, which is realising at present £3 per cwt., against £2 15s. for the New Zealand cheeses—both in Glasgow. These cheeses were rather smaller than the class usually turned out in the colony, being about 45 lb. to 50 lb. The merchant, however, considered them a very suitable size indeed for his Scotch trade. The butter being sold was the Whenuakura brand, and was being retailed at 1s. 1d. per pound.

I notice in the New Zealand papers lately to hand that considerable attention has recently been given to the practice prevalent in Australia of purchasers of New Zealand butter removing the original brands and substituting others instead. I am very glad indeed that attention to this matter has been so specially brought under the notice of the Department of Agriculture, and that energetic measures are being taken by the Dairy Department to prevent this practice being continued. So long ago as the 13th January, 1899, I alluded in my report to this practice being prevalent in this country, and I at that time sent to Wellington a butter-box which had been scraped and the brands obliterated, in order to show what was being done here. At that time, however, I regret to say it was not considered advisable by the Dairy Commissioner, Mr. Ruddick, to take steps to prevent the practice being continued. Personally I feel very strongly on this matter. I think that not only should impressed brands be put on every box bearing the name of the factory, so that its special output shall be recognised, but also that the oblong box should be entirely used as the package for New Zealand butter, as distinctive from the square boxes in use in Victoria and Canada. I am convinced that, now our butter is gaining in reputation so greatly on the market here, the more distinctive features we can apply to it the better it will be for its sale and more prominence will thereby be afforded to it.

I have, &c.,

H. C. CAMERON,  
Produce Commissioner.

The Agent-General for New Zealand, London.

#### D.—THE TIMBER TRADE, ETC.

Report by Mr. J. G. Gow.

Office of Agent-General for New Zealand, 13, Victoria Street, London,  
29th May, 1902.

SIR,—

Following my report of the 11th March, I have now (29th May) the honour to report that I duly received from the Agent-General in London your instructions to proceed as soon as possible to Japan, China, and Calcutta. I at once began to make the necessary arrangements for doing so, but having previous to the receipt of your instructions made engagements to meet with merchants and others interested in the New Zealand trade I found it absolutely necessary to revisit several of the principal towns in Lancashire and Yorkshire, and also Glasgow.

#### TIMBER.

One of the principal of these engagements was one I had made to meet the timber-traders of the North of England. In this connection I revisited Manchester, where I visited the Royal Exchange, and afterwards had the pleasure of meeting a number of timber-merchants at the Timber Trades Exchange. I had a long and interesting conversation as to the prospects of increasing the import of New Zealand timber into England. I found a widespread desire to get information on the subject, and I distributed a number of copies of Sir Westby B. Percival's book on the timber products of New Zealand; and I have no doubt there will be inquiries from the importers here as to the prospect of opening up additional trade in New Zealand woods.

It was impressed upon me, in regard to samples of New Zealand woods, that those usually sent are too small to be of any practical value as samples, and that in forwarding timber-samples in future it would be well to send them of good size so as to afford opportunity of testing the quality of the timber and of judging of its suitability for trade purposes on this side. Mr. Ashworth, of the firm of John Ashworth and Co., timber-merchants, Waterfoot, Manchester, with whom I had a long interview, has kindly undertaken that any samples of timber addressed to him at the Timber Trades Exchange, Palatine Hotel, Manchester, will be taken charge of by him and exhibited at the weekly meeting of the timber-traders of Lancashire and the North of England, including some of the largest importers in the country. Prices should be plainly marked on all samples, and the prices quoted must be c.i.f. London, Liverpool, and Manchester.

In any shipments of timber to order care must be taken that the timber is cut absolutely to the scale and sizes specified.

Complaints were made of the irregularity of present shipments of New Zealand timber, and that if the trade is to be developed traders must be able to depend on regular shipments. It is greatly to the detriment of the trade at present that a merchant after opening up a trade in New Zealand timber finds himself unable to supply his market owing to there being no New Zealand timber on the market for the time being. Irregularity of supply lends itself readily to cornering of the market, and consequent fluctuations in price—very detrimental to the development of the trade.

#### HOPS.

While in Lancashire I visited several breweries, and showed the management samples of Nelson hops. They were highly pleased with the samples, and thought they compared very favour-

ably with the Californian hops. The exporters will no doubt hear from these breweries. Home-grown hops are extremely low-priced this year, being quoted at £1 10s. per cwt., the lowest point they have yet touched. The Californian merchants are now booking orders for next season at the rate of from £3 10s. to £4 10s. per cwt. c.i.f. Britain.

## WOOD-PULP.

After full inquiry into this trade, and careful investigation as to prices, &c., I have come to the conclusion that in the meantime it would not be wise to start this industry in New Zealand. In an interview with the manager of the Killner-Partington Paper-pulp Company—one of the largest firms in the trade—I learned that the manufacture of wood-pulp requires very expensive machinery, and that the price of the pulp in Manchester is only £5 per ton, and I am convinced that for the present at least we cannot compete in this line against Norway and Canada. I am forwarding to the Department samples of wood-pulp and pamphlets relating to the trade.

From Manchester I proceeded to Hull, where I met some more timber-merchants and cabinet-makers who are large buyers of fancy woods and high-class timbers suitable for the furniture trade. I also had the pleasure of meeting several shareholders of the Orepuki shale-works, who were very pleased to see me, and to whom I was able to give information as to the progress of their works in New Zealand.

## GLASGOW.

I revisited several of the produce-merchants in Glasgow, and gave them full information about New Zealand produce, particularly cheese and butter. After long conversations several shippers announced to me their intention of proceeding to New Zealand to make arrangements with exporters for a direct supply to Glasgow.

My time being limited, owing to the arrangements made for proceeding to the East, I had not many opportunities of opening up communications with new merchants, and had to confine myself mostly to keeping the engagements I had made, as mentioned above. I am fully convinced that more could have been done towards building up the present New Zealand import trade, and towards opening out fresh sources of trade, had the time at my disposal permitted.

I leave London to-day for Liverpool, whence I sail on Saturday, the 31st instant, *en route* for the East per s.s. "Etruria" *via* America.

I have, &c.,

The Hon. Sir Joseph G. Ward, K.C.M.G.,  
Minister of Industries and Commerce, Wellington, New Zealand.

J. GRAHAM GOW,  
New Zealand Trade Commissioner.

## E.—WORKS OF REFERENCE.

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

- Ceylon Handbook and Directory for 1902.
- Canadian Trade Index. 1901.
- South African Trade. General. By T. Nichol Jenkin. 1902.
- South African Trade. Engineering. By Ben. H. Morgan. 1902.
- South African Trade. Textile and Soft Goods. By S. W. Witham. 1903.
- Annual Report of the Co-operative Wholesale Societies (Limited), England and Scotland. 1902.
- The Delagoa Directory (Lorenzo Marques). 1902.
- 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, P.A., U.S.A. 1900.
- Sources of the Agricultural Imports of the United States. 1896-1900.
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- Export Hand Adressbuch von Deutschland. 1902-3.
- Report upon the Trade of Kobe, Japan. 1901.
- Annual Report, Chamber of Commerce, Port Elizabeth, South Africa, containing complete Trade Returns and Statistics. 1902.
- Annual Report, Chamber of Commerce, Durban, South Africa. 1902.
- Guide to South African Ports. Issued by William Cotts and Co. 1901.
- South African Customs Union Tariff. 1902.
- Regulations of the Port and Harbour of Natal.
- Report of Port Captain, Colony of Natal. 1902.
- China Imperial Maritime Customs. Return of Trade and Trade Reports. 1901.
- Tariff and Regulations, Port Elizabeth Harbour Board.
- Engineer's Report, Natal Harbour-works. 1900.
- Straits Settlements: Return of Imports and Exports for 1901.
- Tables relating to Trade of British India with British Possessions and Foreign Countries up to 1901.
- Review of the Trade of India up to 1901.
- Report of the Annual Meeting of the Associated Chambers of Commerce of the United Kingdom held in London, March, 1903.

Thirteenth Annual Special Issue of the *Timber Trades Journal and Sawmill Advertiser*. 1903.  
 Forty-first annual Report of the Cape Town Chamber of Commerce; with the President's  
 Address, Statistics, and other Commercial Information. 1902.  
 Dock, Port, and Harbour Regulations for Table Bay, Cape of Good Hope, dated November,  
 1902.  
*Fairplay*. Weekly Shipping Journal, London.  
 Guide to South Africa. Issued by the Union Castle Steamship Company. 1902-3 Edition.  
 Cape Colony. By A. R. E. Burton. 1902-3.

## F.—FROZEN MEAT IN CHINA AND CEYLON.

[Circular.]

### THE HONGKONG FROZEN-FOOD SUPPLY.

*Depot, No. 3, Ice-house Lane.*

THE attention of the public is directed to the facilities offered by the above company for the supply of frozen Australian produce, &c., which is brought from Australia in vessels specially fitted for its carriage and which insures its arrival in the best condition.

The following are the prices of the last shipment landed *ex s.s. "Changsha"* :—

	Legs and Chops.	Shoulders.	Various.
Mutton ...	25c. (5d.) per pound.	12c. (2½d.) per pound.	10c. (2d.) per pound.
Lamb ...	30c. (6d.) "	17c. (3½d.) "	10c. (2d.) "
Pork ...	40c. (8d.) "	23c. (4½d.) "	13c. (2½d.) "
Rabbits ...	...	...	\$0.60 (1s.) each.
Hares ...	...	...	1.30 (2s. 2d.) each.
Butter, fresh (1 lb. pats)	...	...	0.85 (1s. 7d.) per pound.
Cheese ...	...	...	0.45 (9d.) "
Hams (lightly cured)	...	...	0.55 (11d.) "
Bacon (lightly cured)	...	...	0.50 (10d.) "
Milk, concentrated	...	...	0.40 (8d.) per tin. (1 pt.)

Pass-books will be supplied to and credit accounts kept with well-known residents.

All orders sent in before 8 a.m. can be filled by noon, and orders left before noon can be filled by 3.30 p.m.

Orders for following morning can be sent in during the day.

All orders will be executed at the depot, No. 3, Ice-house Lane.

Hongkong, 23rd October, 1902.

WM. PARLANE, Manager.

[Circular.]

### THE FROZEN-FOOD SUPPLY DEPOT.

*No. 3, Ice-house Lane.*

A FRESH stock of frozen produce has just been received *ex s.s. "Changsha"* from Australia.

Mutton, legs and chops	...	...	...	...	\$0.25 per pound.
" shoulders	...	...	...	...	0.20 "
" various	...	...	...	...	0.15 "
Lamb, legs and chops	...	...	...	...	0.30 "
" shoulders	...	...	...	...	0.25 "
" various	...	...	...	...	0.18 "
Pork, legs and chops	...	...	...	...	0.35 "
" shoulders	...	...	...	...	0.30 "
" various	...	...	...	...	0.20 "
Rabbits	...	...	...	...	0.75 each.
Hares	...	...	...	...	1.25 "
Ducks	...	...	...	...	1.75 "

Hongkong, 16th January, 1902.

WM. PARLANE, Manager.

*Approximate Cost of Paper.*—Preparation, not given; printing (3,425 copies), £19 15s.

Price 9d.]

By Authority: JOHN MACKAY, Government Printer, Wellington.—1903.

