

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."

77. Was that in the report laid on the table of the House and circulated in Parliament?—Yes.

78. Was it distributed throughout the colony in the ordinary way also by the Department?—Yes.

79. Now, in the interim between the reports being circulated during 1902 and 1903, did any one connected with the direct liners make any proposals for a direct west-coast service?—No.

80. Were any inquiries made by any of them?—No.

81. Will you refer to a letter from the Agent-General, dated the 8th June, 1903, and addressed to the Premier?—Yes. "SIR,—Referring to my letter No. 1491 of the 23rd May last, I beg to transmit herewith copy of further letter received from the Union Cold-storage Company, of Cannon Street, in which reference is made to the proposals to establish New Zealand meat-emporiums in this country, and to the importance of the meat being delivered in good condition by means of direct communication between the colony and the north of England.—W. P. REEVES."

82. Now, will you read the enclosure from the Union Cold-storage Company?—"Walter Kennaway, Esq.—DEAR SIR,—We are obliged for your favour of the 26th instant, and have taken steps to procure two additional copies of the balance-sheets enclosed in ours of the 21st instant, which we hope to let you have in the course of a few days. Referring to Mr. Seddon's cable to the *Daily Express* yesterday, we think it would be very much to the interest of all concerned in the success of the New Zealand trade if the Government could be prevailed upon to realise that nothing they do in the way of opening shops will seriously affect the hold the Argentine meat has obtained upon the trade through Great Britain to any appreciable extent, unless New Zealand meat can be delivered in these large northern towns in as good condition as the Argentine. The Argentine people realised many years ago that they could not deliver meat in satisfactory condition to all parts of Great Britain from any one port, and until arrangements are made for regular steamers from New Zealand to the north of England, as they are from South America, it is hopeless for either the trader or Government to attempt to compete with them. The New Zealand meat has preference in London owing to its being better quality and equal in condition to the Argentine; while the quality is appreciated in the provinces, the condition is often wretched, especially during the hot weather when the lamb season is on. We are receiving at our Liverpool stores this week, *via* rail from London, about fifteen thousand carcasses of New Zealand lamb and mutton direct *ex* ship. It is simply disgraceful to the whole trade that such perishable produce as mutton and lamb should have to be forwarded from one side of England to another in this manner. It is bad enough for wool or tallow. We are quite aware that there are many vested interests that do all they can to confine the New Zealand steamers to London, but we feel sure that if the Government interested itself in the matter these obstructions would at once disappear.—We are, Yours truly, THE UNION COLD-STORAGE COMPANY OF CANNON STREET (LIMITED), (E. H. VESTEY, Director)."

83. Upon receipt of that letter by the Premier it was referred to the head of your Department?—That is so.

84. And he was asked to report upon it?—Yes.

85. He reported upon it on the 19th November?—Yes.

86. Will you read that report?—"Department of Industries and Commerce, Wellington, 19th November, 1903.—THE HON. THE MINISTER OF INDUSTRIES AND COMMERCE.—Steam Service to Liverpool, Bristol, and Glasgow: In accordance with your direction of the 18th instant I beg to make the following report on the above service: If you will refer to this Department's annual reports for 1902 and 1903, you will notice that I have consistently advocated that some arrangement should be made by the Government by which shippers of frozen meat, dairy-produce, wool, flax, tallow, &c., should have an opportunity of shipping direct to Liverpool, Bristol, and Glasgow. Such an opportunity would be invaluable to the producers of this colony, and its value is so obvious that it is unnecessary for me to do more than refer you to the extracts from the annual reports of the Department which are attached. If this colony is to hold its own against foreign competition in the markets of the United Kingdom, some step to insure direct and regular communication with Liverpool, Bristol, and Glasgow must be taken sooner or later to meet the strenuous efforts of other producing countries, especially as New Zealand has always the disadvantage of distance to contend against. The last instance of these strenuous efforts I have noticed is where Russia has subsidised special steamers to carry Siberian butter to the United Kingdom, to the extent of some £50,000 per annum, with the satisfactory result to Russia which shows that in 1898 the value of butter exported to the United Kingdom was £880,626, which increased to £2,196,234 in 1902. Transport of produce from this colony to every available market is a most essential factor in the development and progress of the colony, and a reasonable subsidy paid by the Government in this instance will come back to the producers threefold by the saving in railage from London that would be effected by an overside delivery at Liverpool, Bristol, and Glasgow, as against London delivery and railage, to say nothing of loss of condition of frozen produce brought about by the loss of time and extra handling, which would be avoided. Both the New Zealand Shipping Company and the Shaw, Savill, and Albion Company have recently berthed steamers in New Zealand ports for Liverpool and Cardiff. I am inquiring further into the particulars of the cargoes carried by these steamers and the rates of freight charged, and will report further during the next day or so.—T. E. DONNE, Secretary."

87. Will you look at the further report dated the 21st November?—"Department of Industries and Commerce, Wellington, 21st November, 1903.—THE HON. THE MINISTER OF INDUSTRIES AND COMMERCE.—Prospects of a direct trade with Liverpool: During last winter the Shaw, Savill, and Albion Company partially loaded the steamer 'Rangatira' with mutton and lamb for Cardiff, and the New Zealand Shipping Company wholly loaded the 'Rakaia' for Liverpool with oats,