

6,039 cases preserved meats, 25 cases dripping, 182 casks tallow, 352 tins ash, 345,559 superficial feet timber, 337 dumps tow, 2,355 bales hemp, 118 casks fruit-pulp, 85 packages sheep-dip, 68 bundles sheep-skins, 520 pieces timber, 86 bars steel, 79,260 sacks oats, 2,675 sacks bran, 18,304 sacks wheat, 1,975 sacks beans, 2,497 sacks barley, 5,163 sacks peas, 7,682 sacks grass-seed, 466 sacks fescue-seed, 6 sacks rye, 490 sacks pollard, 620 sacks flour, and a quantity of general merchandise.

#### DEPARTMENTAL EXPENSES.

The expenses incurred in carrying on the Head Office for the year ending the 31st March last amounted to £1,411 8s. 8d., made up as follows:—

	£	s.	d.
Salaries ... ..	771	13	4
Clerical assistance ... ..	285	12	6
Rent of offices ... ..	137	10	0
Travelling expenses and allowances... ..	44	17	6
Contingencies ... ..	171	15	4
	<u>£1,411</u>	<u>8</u>	<u>8</u>

The expenses of the South African Agency for the same period amount to £1,444 17s. 9d. :—

	£	s.	d.
Salaries ... ..	450	0	0
Clerical assistance ... ..	82	17	11
Rent of offices ... ..	73	16	0
Travelling expenses and allowances... ..	720	14	2
Contingencies ... ..	117	9	8
	<u>£1,444</u>	<u>17</u>	<u>9</u>

The expenses of the Produce Commissioner's office, London, for the same period amount to £796 9s. 11d., made up as follows:—

	£	s.	d.
Salary ... ..	400	0	0
Clerical assistance ... ..	153	0	0
Contingencies ... ..	0	8	9
Travelling expenses and allowances... ..	243	1	2
	<u>£796</u>	<u>9</u>	<u>11</u>

SIR,—

Department of Industries and Commerce, Durban, 8th April, 1905.

In submitting my second annual report, I have the honour to state that, although the hopes of the more sanguine have not been realised, and although in some quarters the depression is still very heavy, there seems to be little doubt that the tide has turned slightly towards the flood so far as trade in South Africa is concerned. There has all along been good trade, but not so much with the outside world. A few years ago the imports were enormous, and then the subsequent flooding of the market with excess Imperial stores at absolutely ruinous prices left all the ill effects of a boom. As money had to be obtained somehow, stocks had to be sacrificed in a mad fashion. The effect of the disposal of Imperial stores is not yet over, as may be inferred from the fact that at the present moment canned provisions can be bought in retail stores in perfect condition at less than original cost. The large number of compromises with creditors and insolvencies indicate a clearing-up of the *débris* of the past, rather than present disaster, and will undoubtedly leave business in a healthier condition and upon a sounder basis. Enormous profits must have been made in Durban during recent years, for during the past seven years the town has been practically rebuilt. A great deal of the depression was undoubtedly due to over-speculation. Peace was looked upon as the herald of immediate and unbounded prosperity. Numerous land booms were launched; these took up all the available cash; the first deposit was paid, and a few subsequent instalments; then bad times came to the many; they had nothing to fall back upon, and the land reverted to those who had sold it. The result was ruin to those who make prosperity in trade by spending, for it is the spender, not the hoarder, who makes trade. In spite of the outcry the banks have made profits enough to put up palatial buildings; then pay a dividend of not less than 14 per cent., and carry a large surplus to the reserve fund. At the present moment there are hundreds of houses and offices to let in Durban, but the rents asked are not yet down to normal prices; an indication, perhaps, that things are not really so bad as they are painted. There are not wanting those in South Africa who maintain that the depression is more artificial than real, and that there are ulterior purposes to be served in keeping the market depressed. In Natal, the Colonial Treasurer proposes to retrench the salaries of the Civil servants; some years ago the Government gave the Civil servants a bonus; this was afterwards made permanent as an increased salary. In consequence of the pressure on the Treasury a reduction to that amount is proposed, and as strongly opposed; indeed, some think the position of the Government is threatened by the proposal. The Parliament is now in session.