

Enclosure 5 in No. 4.

The MANAGER, New Zealand Loan and Mercantile Agency Company, to the AGENT-GENERAL.

New Zealand Loan and Mercantile Agency Company,

London, 8th May, 1889.

DEAR SIR,—

Replying to your favour of yesterday, we would point out that New Zealand hemp is essentially a "sympathetic" article, and that its value in this market is to a very large extent controlled by the current price of other leading descriptions, but principally by the quotations for Manila. The Manila market, in turn, is in great measure under control of speculators in America, and wide fluctuations in value frequently occur, for which the position of supply and demand affords no adequate explanation.

Under these circumstances it is obvious that extreme uncertainty must attach to the course of prices for New Zealand fibre; but, in connection with its present and probable future position in the market, the following considerations are worthy of note:—(a.) The extended use of New Zealand hemp as a substitute for Manila, Sisal, and other descriptions, is well calculated to give it a recognised position in the market, and the rapidity with which recent (comparatively heavy) supplies have gone into consumption shows that the present openings for it are numerous and considerable. (b.) The future position of the article must necessarily in a measure depend upon the care with which it is prepared for shipment. If care be not taken with respect to dressing, &c., present consumers will doubtless revert to the better known sorts, should a decline in values bring them nearer their reach; whereas, if New Zealand deliveries continue to be satisfactory, there is a reasonable prospect of such consumers continuing to use an article to which they have become accustomed, and which they find meets their requirements. Thus, with care on the part of shippers, we think it may at least be said that, whatever may be the future course of values, the friction in price between New Zealand and the better-known sorts is likely to be less marked in the future than in the past.

With respect to our market-circular, we may mention that the issue is now four-weekly, not fortnightly, and that more or less extended reference to this article is made in each issue. We beg to hand you herewith the four numbers published this year (Nos. 354–7), and in Nos. 354 and 357 you will observe that attention is called to the futures of the market above mentioned. We may add that any extension of telegraphic-cable construction will have an important bearing on the future course of the market for Manila, and sympathetically for New Zealand hemp.

Yours, &c.,

HENRY M. PAUL, Manager.

The Agent-General for New Zealand.

Enclosure 6 in No. 4.

MESSRS. MILES BROTHERS and Co. to the SECRETARY, Agent-General's Department.

DEAR SIR,—

79, Gracechurch Street, London, E.C., 8th May, 1889.

We are in receipt of your letter of yesterday's date *re* New Zealand hemp, and have much pleasure in advising you that this fibre has advanced in price in sympathy with the increased value of Manila, which ran up from something like £19 to £50 per ton. This great rise was in no way due to short supplies, as the imports of Manila hemp have been quite as large, if not larger, than heretofore; and therefore it must be attributed to increased consumption. Considerable shipments of New Zealand hemp have lately been made to this country; indeed, during the last six months the shipments have equalled those of the previous two years. We believe that £32 to £34 has been lately obtained for New Zealand, but the market at present is not quite so strong. We think, however, that it will probably keep steady for some time to come. We hope to address you again on this subject shortly.

Yours, &c.,

MILES BROTHERS AND Co.

Walter Kennaway, Esq., Secretary, Agent-General's Department,
7, Westminster Chambers.

Enclosure 7 in No. 4.

MESSRS. MILES BROTHERS and Co. to the SECRETARY, Agent-General's Department.

DEAR SIR,—

79, Gracechurch Street, London, E.C., 9th May, 1889.

In continuation of our letter of yesterday's date *re* New Zealand hemp, we beg to state that both supply and consumption have very largely increased, and prices now range from £31 for very common to £34 for good Wellington, while for fair to good Auckland as much as £36 to £38 has been paid. Any further information we may be able to obtain on the subject we shall be very pleased to furnish, if desired.

Yours, &c.,

MILES BROTHERS AND Co.

Walter Kennaway, Esq., Secretary, Agent-General's Department,
7, Westminster Chambers, S.W.

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