

In this country, I believe, there are a number of skilled persons who, if they had sufficient inducement and full and proper opportunity for ascertaining the nature of the *Phormium tenax*, would direct their attention to the discovery of a means whereby the plant could be effectually and economically cleaned, so as to enable it to compete with manila and sisal. At present the better qualities of New Zealand hemp sell at about the same price as sisal, but medium and lower qualities fetch under that price.* But with improved machinery it ought not only to sell as well as sisal, but also prove a strong competitor in the market with manilla. Assuming that a sufficient inducement is provided in the shape of reward or bonus, there is still one obstacle which the inventor in this country would have to overcome, namely, that of not having the raw material at hand to experimentalise on, and this, so far, private enterprise has not been prepared to meet. If, as I assume, experiments on raw material sent from the colony would not be a satisfactory test, it appears to me that what is wanted is the cultivation of the plant itself in this country, to such an extent as would provide sufficient material for the purpose of supplying those whose skill and attention would be directed, on sufficient inducement being offered, to the discovery of proper machinery for preparing the fibre for market.

Whether the inducement to be offered by means of a reward or bonus, and the providing of the raw material for experiments, should be supplied by the Government or private enterprise, I do not take upon myself to express an opinion, but believing, as I do, that the discovery of an economical and efficient machine is of the first and foremost importance, I have ventured to make the above suggestive remarks for your consideration.

In the course of the inquiries which I have caused to be made, I have endeavoured to ascertain whether there are any other markets besides those of England and America, which might be opened up for the New Zealand hemp, and I insert in the Appendix some extracts relating to that part of the subject. But, so far as I can judge, the English and American markets are the only ones at present available; at the same time, it is a point which I think should not be lost sight of by those whose interest it is to develop and sustain the industry. The following is a table of prices of New Zealand hemp from the month of July last to date:—

RETURN OF NEW ZEALAND HEMP PRICES for TWELVE MONTHS, from July, 1891, to June, 1892, inclusive:

	AUCKLAND.				LYTTELTON.				WELLINGTON.				Hemp Toppets.	Hemp Tow
	Prime.	Good.	Fair.	Common.	Prime.	Good.	Fair.	Common.	Prime.	Good.	Fair.	Common.		
1891.														
July 10	25/	24/	22/6	19/	24/	23/	22/	18/ to 19/	24/	23/	21/6	18/ to 19/	16/ to 19/	6/6 to 7/6
Aug. 7	25/	24/	23/	20/	24/6	23/6	22/6	18/ " 19/	24/	23/	21/6	18/ " 19/	17/ " 19/	6/6 " 7/6
Sept. 4	24/	23/	22/	18/ to 19/	23/	22/	21/	17/ " 18/	23/	22/	21/	17/ " 18/	17/ " 19/	6/6 " 7/6
Oct. 2	24/	22/6	21/6	18/ " 19/	23/	21/6	20/6	17/ " 18/	23/	21/6	20/	17/ " 18/	17/ " 19/	7/6 " 9/
Oct. 30	24/	22/6	21/6	18/ " 19/	23/	21/6	20/6	17/ " 18/	23/	21/6	20/	17/ " 18/	17/ " 19/	9/ " 10/
Nov. 27	23/	22/6	21/6	18/ " 19/	22/	20/6	20/	17/ " 18/	22/	20/	19/	17/ " 18/	15/ " 18/	9/ " 10/
Dec. 24	24/	23/	22/	19/	23/	21/6	20/6	18/	22/6	21/	20/	18/	15/ " 18/	9/ " 10/
1892.														
Jan. 21	24/6	23/6	22/6	19/	23/6	22/	21/	18/	23/	22/	21/	18/	15/ " 18/	9/ " 10/
Feb. 18	24/	23/	22/6	20/	23/6	22/6	21/6	19/	23/6	22/	21/6	19/	18/ " 20/	9/ " 10/
Mch. 18	23/6	23/	22/	20/	23/6	22/6	21/6	18/ to 19/	23/	22/	21/	18/ to 19/	18/ " 19/	9/ " 10/
April 14	23/	22/6	21/6	19/ to 20/	23/	22/	21/6	18/ " 19/	22/6	22/	21/	18/ " 19/	18/ " 19/	8/ " 10/
May 13	22/	21/6	21/	19/	22/	21/	20/	18/ " 19/	21/6	20/6	19/6	18/ " 19/
June 9	22/	21/6	20/	19/	22/	20/6	19/6	18/	21/	20/	19/	18/	18/	8/ " 10/

I also send in the form of an Appendix a collection of the latest trade circulars, which contain some valuable information.

The Hon. the Premier, Wellington.

I have, &c.,

W. B. PERCEVAL.

P.S.—After concluding this report it seemed to me advisable to submit it to some reliable merchant in the trade who could, from his practical commercial knowledge, give useful information. I selected the well-known firm of Messrs. Cox, Patterson and Company, who are large fibre brokers, and who were highly recommended to me, and Mr. Cox has devoted much time to the consideration of the report. As his services are gratuitous, I am pleased to bear testimony to his courtesy. I have attached the letter of Messrs. Cox, Patterson and Company to my report as an Appendix. I have written to Yucatan for information regarding sisal, which, if I obtain, I will forward you in due course.—W. B. P.

Enclosure.

APPENDIX A.—COST OF PRODUCTION.

Manila.

(Extract from Special Report by Mr. Alex. Gollan, H.M. Consul at Manila, 14th February, 1891.)

THE cost of preparing and planting about seven acres and keeping it clean up to the first crop is estimated at from \$200 to \$300, not including the first cost of the land; and afterwards an annual

* "The lower grades of manila come into competition with New Zealand. Previous quotation for the former is based on fair current quality. The lower grades may be taken to fetch as follows: seconds, £3 under fair current; good brown, £4 under; and fair brown, £5 under fair current."—C. P. & Co.