

River Plate traders to the introduction of Australian meat in 1895 has been that, although for some time shipments were continued to Manchester, they gradually fell off and were ultimately abandoned. There is a strong desire by those interested in Manchester and the Ship Canal that direct trade with Australia and New Zealand should be established on a sound footing. The difficulty at present, as it has been since the opening of the canal, seems to be to settle who are to bear the brunt of the fight that must take place in the initiation of this direct trade. That there is a field to fight for is undeniable. Manchester, as is known, is situated close to the Yorkshire wool districts, where already the principal imports of wool are manipulated. Stockport, close to Manchester, is the centre of the hat-making trade, and is a large consumer of rabbit-furs. Tallow is in large consumption in the district—in fact, all colonial products are in large demand. Then, the bulk of the exports to Australia—cotton goods, iron, tin-plate, hardware, machinery, earthenware, glass, chemicals, &c., all of which commodities can be placed on board steamer at Manchester at comparatively low rates as compared with shipping at London or Liverpool—are manufactured in the district.

I am informed that a direct service of steamers with Australia has been offered to Manchester on condition that full cargoes of frozen meat are guaranteed from the colony. Knowing, however, the strong feeling that exists among colonials to open up direct trade with other ports than London, I am a little disinclined to credit this information, as were a direct service offered on these terms I think there would be no difficulty in getting full cargoes guaranteed. I feel that there is a greater difficulty probably in having effective arrangements made on this side. Vessels arriving at Manchester, even with a full cargo of frozen meat, necessarily will want some guarantee that they will get full return cargo. The difficulty of obtaining this was felt, I know, in the case of those boats trading some time ago between Australia and Manchester. Some there are who say that no difficulty need be apprehended, but, looking at the manner in which trade has been conducted for many, many years, whereby the financial arrangements of manufacturers are often dominated from London, and knowing that interests become considerably involved, I believe the great difficulty to be contended against is the matter of the arrangements for outward freight direct from Manchester. Direct trade between Australia and Manchester I consider well worth prosecuting.

But, looking at the question of the establishment of direct trade between New Zealand and Manchester from a New-Zealander's point of view, there are several special circumstances that must be taken into account, and it must also be considered what advantage would be derived were direct trade brought about. Any line of large boats that would be run regularly from New Zealand to Manchester would, of course, require to be fitted with refrigerating machinery, and would have to depend largely on full cargoes of meat to pay. At the present time the demand for New Zealand mutton throughout the Midlands is very small, and is not nearly sufficient to warrant direct shipments being made. New Zealand mutton is also of such variety of quality—heavy and light, fat and lean—worth a range of 1d. per pound in value, that it would be utterly impossible at present to find a market for all these classes in the districts immediately supplied from Manchester. Wholesale distribution would have to take place from there as is now done from London, and probably there would be considerable difficulty in disposing of it to as great advantage. I am well aware, however, that, although at present the demand for our mutton in the Midlands is very small, there is undoubtedly a very large field for retail distribution amongst the better class of consumers available there. This field, however, I consider should be prepared for its introduction prior to supplies being delivered there for distribution by direct shipments. I do not believe in New Zealand mutton being dumped down at any port and forced into competition with other meat. That would at once lower its value and reputation, and the loss would be considerable.

Were there direct communication between New Zealand and Manchester, of course all wool purchases made in the colony on manufacturers' account could be sent there, and a saving thereon would be effected. Butter and cheese from New Zealand are both gaining a good reputation throughout the country, and are being well distributed under present arrangements from London. Were butter to be landed in Manchester, it would come more directly in competition there with Danish, Manchester being the headquarters of that butter trade, while cheese would feel the full force of Canadian competition. The quantity of both butter and cheese at present produced in New Zealand is, of course, too small to prove of importance in considering the desirability of opening up direct trade with Manchester.

There would be an advantage in landing rabbitskins, sheepskins, hides, and tallow in Manchester, but unless New Zealand frozen meat can be profitably dealt with there at the same time I do not believe it would be of any use attempting to effect direct trade with that port from New Zealand. All direct trade at present must hinge on that particular industry, and I consider that the sooner energetic steps are taken for its development the better it will be not only for it alone, but also for all other lines of New Zealand produce, and the more probability there will be of securing other ports for our shipments than London.

I have, &c.,

H. C. CAMERON, Inspector of Produce.

Hon. W. P. Reeves, Agent-General for New Zealand, London.

### Enclosure 2 in No. 1.

SIR,—

Chamber of Commerce, Manchester, 30th January, 1899.

I am instructed by the board of directors of this Chamber respectfully to invite your attention to the following statement of the great advantage which would result to the Australian Colonies, as well as to the United Kingdom, especially in the vast industrial population of the Northern and Midland counties, by the establishment of regular lines of steamship communication between the ports of Australasia and that of Manchester.