

that supplies of Tasmanian and Victorian potatoes are diminishing I expect to see some large shipments of potatoes made. An important item has recently been added to the steamers' manifests—viz., live fat sheep for slaughtering purposes. The fact that the steamer "Essex" was fully loaded in New Zealand for South Africa, and that another steamer has had to be engaged by the contractors as an extra vessel to relieve the regular monthly steamer in June for general cargo, indicates the very appreciable increase in the trade, and warrants one in speaking highly of the success of the subsidised steamer service, and in predicting a profitable development of trade between the two countries.

#### THE FROZEN-MEAT TRADE.

In dealing with this important subject in my last annual report I laid particular stress on the necessity of increasing the number of ports of discharge of frozen meat in the United Kingdom, and of having the number of individual consignees decreased. I gave it as my opinion that steps should be taken to secure the discharge of frozen meat at Liverpool, Bristol, Manchester, and Glasgow, and South Africa. It is gratifying to note that, with the assistance of a subsidised steam service to South Africa, regular shipments of beef, mutton, lamb, and poultry are now being made to that country, but nothing has yet been done as regards additional ports of discharge in the United Kingdom. At present the position is exceedingly acute. The following are extracts from the weekly market reports cabled from the Agent-General, dated 16th May: "The mutton market is depressed. Stocks of mutton on hand are heavy and are widely distributed amongst agents, who are pushing sales." "The lamb market is weak, though a good demand continues. Competition amongst holders of lamb to clear their stocks has lowered values." Yet at the time of writing (26th May) there were 561,143 carcasses of mutton and 539,836 carcasses of lamb afloat from this colony consigned to the Port of London. This is a most unsatisfactory condition of affairs, and the unfortunate part of it is that the producer is the only sufferer, through the bad management and want of organization of other interests. Irrespective of the fluctuation in the prices realised for the meat, the steamers receive their freight and the freezing companies their schedule charges for slaughtering and freezing; therefore the whole loss falls directly upon the producer. The evil is greatly aggravated by the fact that this unprecedented and immense quantity of meat is being rushed into one single port in the United Kingdom without any option, and on top of the knowledge that that port is distinctly unfavourable to the reception of the meat. The position of the Argentine stands out in marked contrast. The Agent-General reports, under date 23rd May, that supplies of Argentine meat in London are light, well held, and prices firm. Obviously the Argentine does not rush meat into London without giving some attention to the existing conditions of supply and demand. It is also a well-known fact that the bulk of the Argentine meat is delivered at Cardiff, Bristol, and Liverpool. I would again urge that some arrangement should be made whereby the number of ports of discharge in the United Kingdom should be increased.

Some important observations by Mr. H. C. Cameron, the Produce Commissioner for the colony in London, on the subject of the meat-market in England, will be found in that officer's annual report, which is attached hereto as an appendix.

The rapid progress and development in the Argentine's meat-export trade, in competition with this colony, will compel New Zealand to review carefully every department of the trade if it is to hold its own in the English markets. At present we have a distinct advantage on the score of quality, but this may not last, and the knife of economy will require to be applied to such branches as are at present unduly expensive. The question of freight must be carefully considered; the multiplicity of agents and salesmen employed in disposing of New Zealand meat, and other kindred matters, must all be given attention if this colony is to maintain its position against such a country as the Argentine, which is only half the distance of New Zealand from the markets of the United Kingdom, and has almost unlimited areas of low-priced land and innumerable flocks of sheep and herds of cattle. Recent statistics of exports from the Argentine show that that country is ceasing to pursue agricultural pursuits, and is devoting more time and energy to the frozen-meat and dairying industries. This is very unfortunate for New Zealand. We are less able to meet Argentine competition in the frozen-meat and dairying industries than such countries as Canada, the United States, and India are to meet it in agricultural pursuits. Under these circumstances it is imperative that this colony should make every preparation to meet the Argentine in the struggle for a remunerative trade, in which we are handicapped by the relatively higher value of our lands, and the extra cost of transport owing to our greater distance from the consuming markets.

I am pleased to be able to report that a small trade in frozen mutton with Western Australia is being worked up, as the result of the subsidised steam service to South Africa calling at Fremantle *en route*. Regular shipments are now being made by each steamer, and as far as can be judged, there will be a small market there for mutton and lamb for some considerable time, if not a permanent trade.

#### A WIDER BRITISH MARKET WANTED.

Under the previous heading I remarked on the urgent need of increasing the ports of discharge for frozen meat. But this observation does not apply to meat alone; it most vitally affects the dairy-produce business and the export of such important lines as wool, flax, and tallow. It is absolutely necessary that a more extended distribution of New Zealand produce throughout the United Kingdom should be organized as quickly as possible. Facilities should be given for the shipping of products direct from this colony to Liverpool, Bristol, Cardiff, and other British ports outside London.

The first step to be taken is to make some arrangements by which shippers will have an opportunity of delivering produce without transshipment at Liverpool, Bristol, and elsewhere. A considerable portion of the time of an official from the London office could be profitably spent in the provincial markets educating merchants and consumers as to the superior quality of New