

entirely at my disposal. In the course of a long interview we discussed between us the possibilities of opening up a profitable trade connection between New Zealand and the Straits Settlements. I am sorry to have to report that the general conclusions which I was reluctantly forced to arrive at were not of a very encouraging nature. The local conditions which prevail, as explained to me, were that Singapore was not dependent upon outside supplies, as is the case so much in Europe and South Africa; in short, that they had a plentiful supply of produce in their own country. I made particular inquiries into the possibilities of developing trade relations with New Zealand in respect of meat-importations by means of cold-storage. The result was most discouraging. It was incidentally mentioned to me that about six months before, some Australian gentlemen in Singapore had discussed the possibilities of establishing a cold-storage company. I was informed, however, that nothing as yet had been done in this direction. Mr. Gunn frankly gave it as his opinion that the only outlet which could be looked to with any degree of certainty would be the shipping. Singapore is a port of considerable and growing importance, and a cold-storage company would have to depend on the shipping at the start, the wants of those on land, both native and European, being amply supplied out of their own resources. In support of the contention that the inland trade would require plenty of careful husbanding before it could be possibly made remunerative, Mr. Gunn gave me a few illustrations in proof of his statement. Several Australian firms had at times consigned goods to the Singapore market. The transactions, more often than not, turned out a complete failure. As secretary of the Chamber of Commerce he had often been asked by these consignors to look into these transactions with a view to protecting their interests, and arbitrate between importer and exporter. With rare exceptions these transactions had resulted in losses to people who exported goods to the Singapore market. After careful inquiries I formed this opinion: that if there was a direct steamer service between New Zealand and Singapore and other Eastern ports there were reasonable expectations of a limited market for butter and cheese for the Straits Settlements, but possibly this market would be so small that it might hardly be worth taking up. I am indebted to the courtesy of the secretary of the Chamber of Commerce for a copy of the Straits Settlements Official Year-book for 1901, giving full details of imports and exports, and other interesting statistics covering the same period.

*Ceylon.*—I arrived in Colombo on the 22nd September, and had the pleasure of meeting Mr. Maxwell, late Manager of the New Zealand Railways, who kindly gave me an introduction to the leading firm of timber-importers, Messrs. Walker, Sons, and Company, who, in addition to manufacturing tea machinery, carry out repairs to steamers, and are the largest contractors for buildings in the island. I had a long interview with Mr. E. J. Hayward, the manager, and he kindly prepared at my request the attached letter, giving valuable information regarding the kind of timber suitable for the Colombo market. I ascertained that Ceylon does a good business in Australian timber, which is largely used in the Ceylon Government railway and the Colombo Harbour works extension. There has also been some talk of experimenting in wood paving, but it has not got beyond this stage yet.

I next called on Messrs. Lewis Brown and Co., of Baillie Street, Colombo, who own the Ceylon Ice and Cold Storage Company, a very flourishing concern, receiving fortnightly shipments from Australia by Orient-Pacific steamers and occasional shipments of fish and game from England. I found that Mr. R. Davidson, the acting-manager, was anxious to do business with New Zealand, if such could be arranged and local requirements studied. For instance, the best New Zealand mutton would prove too rich for the Colombo market, where climatic influences are so exacting. What was required and most suitable for the London market would not be equally suitable for Eastern markets, where they do not require meat of the fat and rich kind. Lean meat, with the smallest admixture of fat, is what is alone suitable for the Colombo market. Consequently, the "rejected" or second-quality kind, which was not suitable for the London market by reason of its lacking in fat and richness, would be preferred in a tropical country like Ceylon, where lean meat was found most suitable for the use of the people. Messrs. Lewis Brown and Co. also handle a large quantity of butter and cheese. Messrs. Brown and Co. possess a monopoly of the business, which is a rapidly growing one, even the hill stations, such as Kandy, Hatton, and Newera Eliya being served in the way of cold-storage meat by this firm from Colombo. I attach a price-list which is advertised or circulated as a slip supplement in the local newspapers once a week. From this list you will notice that they receive a higher price for their goods than the cold-storage company of Hongkong, varying in extent from 50 to 100 per cent.

I called, amongst others, upon Mr. John Ferguson, the editor and proprietor of the *Ceylon Observer*, the *Tropical Agriculturist*, author of several works on Ceylon, who has just completed his forty-second year of close association with Ceylon journalism. He gave me a copy of the Ceylon Directory, which contains, amongst a mass of other information, the imports and exports of Colombo.

*Calcutta.*—Calcutta proved the most disappointing of all the places that I visited. Compared with Ceylon, the cost of living is absurdly cheap. In Calcutta they seem to have at their doors everything they require in the way of produce. John Bathgate, Esq., a member of the City Council and River Commission, who is well known in New Zealand, kindly accompanied me on my tour of inspection of the public market, where I found fresh mutton and beef being retailed at 3d. and 4d. per pound; eggs, 3½d. per dozen; chickens, 4d. each; fowls, from 6d. to 1s. each; pigeons, 3d. each; and snipe, 2d. each. The best quality of butter from the Government farm sells at 1s. 4d. per pound, and second-quality butter from 10d. to 1s. per pound. There is a very small demand, I found, for cheese. The daily supply of mutton for the Calcutta market is sixty-six sheep. As regards prices and lack of remunerative openings, the same remarks apply to Bombay and Madras and the other large cities of India. India is really an agricultural country, and I was informed that 83 per cent. of the population were settled on the land. Messrs. Nelson Bros. were here several years ago with the intention of starting a cold-storage business. After exhaustive inquiries they decided that it would not be remunerative in Calcutta, so that the chance of introducing New Zealand produce was abandoned for the time being.

I paid a visit to the existing cold-storage stores, the Linde Refrigerating Company. The manager, Mr. Hogg gave me a hearty welcome and kindly showed me over the works, which are very large and extensive, and in ridiculous excess of the actual requirements. The storage-space available at the time of my visit was 30,000 cubic feet, and under construction was space for an additional 19,000 cubic feet. Even the manager admitted that this extensive development of their works was, in view of the conditions of trade, a grave mistake, and calculated to have costly results. This has since been proved, as 8,000 cubic feet of space was amply sufficient to satisfy the wants of Calcutta for years to come; but, instead of being satisfied with so moderate an estimate, they decided upon an ultimate extension to 60,000 feet. When I visited the Linde Refrigerating Works I noticed about 1 ton of bacon, 5 cwt. of cheese, and a dozen brace of grouse. I noticed no butter. Mr. Hogg finally stated that as long as native mutton and beef can be sold wholesale at 3d. per pound there is very little chance of his works being extensively used for the purpose of frozen-meat storage. The principal business of the company is manufacturing ice, for which there is always a large demand both in Calcutta and the surrounding districts.

*General Conclusions.*—To sum up and attempt some deductions from these general impressions I may say I have given considerable thought to the possibilities of New Zealand capturing a share of the Eastern market. The question of steamer freight is the ruling consideration amongst the mercantile community in the East to-day. I have therefore come to the conclusion that the most likely way to secure trade relations with the Straits Settlements, India, and its "pendant" Ceylon, would be for Sir Joseph Ward, the Minister of Commerce, to open up correspondence with the Japanese Minister of Commerce, and place before him the possibilities and the reasonable likelihood of Japan developing a large business for their goods in New Zealand. Japanese steamers (the Nippon Yusen Kaisha in particular) of different lines now ply between England and both Australia and China. My suggestion is that, instead of Melbourne or Sydney, Wellington should be made the last port of call. A monthly service could be established, and if the requisite refrigerating machinery was fitted up on these Japanese steamers I am confident that they would soon be able to build up a large business—first, by carrying the produce of New Zealand to Japan, China, the Straits Settlements, and Ceylon, and, secondly, by carrying goods at a reasonable rate of freight they could pick up a large amount of cargo at Shanghai, Hongkong, Singapore, and Colombo for Australian and New Zealand ports.