

I am firmly impressed that it would greatly assist New Zealand if an office were opened in the City of London, thereby bringing the country in touch with the markets of the world and the centres of commerce and shipping. Samples of the colony's products could be on exhibition, all commercial inquiries dealt with, and this office would be the headquarters of the Produce Commissioner, his staff, and any commercial agents that may be appointed. Canada is reaping the benefit of its City office; Newfoundland has followed its lead, and other colonies are also represented; so it appears to me that time should not be lost in establishing a New Zealand office on a similar basis to those of its contemporaries.

BOARD OF TRADE INQUIRIES.

As Corresponding Secretary in New Zealand for the Commercial Intelligence Branch of the British Board of Trade, I am called upon to answer many inquiries on commercial questions. Questions come forward by each mail from all classes of manufacturers not only through the London office of the Board of Trade, but direct from principals interested. In answering these, great care is taken by this Department to gather the best and most reliable information to place manufacturers and others in the United Kingdom on the best possible footing should they contemplate trading with the colony.

BOARD OF TRADE.

The Government, during the year, was advised by the Secretary of State for the Colonies that the Board of Trade was sending throughout the colonies Mr. Jaffray, whose mission was to secure general information for the benefit of the British manufacturers. Mr. Jaffray was in New Zealand during April and May, and addressed the various Chambers of Commerce and Industrial Associations on trade matters.

TRADE WITH CANADA.

An agreement has been entered into between the New Zealand and Canadian Governments jointly with Messrs. Alley and Co., of Vancouver, by which a direct service of steamers from New Zealand ports to Vancouver, B.C., has been arranged.

The two Governments have jointly agreed to subsidise the Alley Line for a sum of £10,000 each, and for this sum (£20,000) the contractors will supply for one year a service of cargo-boats sailing every alternate month, the Governments concerned having the option of extending the contract for a further period of two years.

It is hoped that shippers will generously use the service thus provided. Through freights are quoted by the local agents in New Zealand by which cargo can be delivered to any part of Canada on a fair basis. The contractors have the option of calling at Honolulu should sufficient inducement offer.

SOUTH AFRICAN STEAM SERVICE.

The subsidised service to South Africa was carried out with due regularity up to the departure of s.s. "Kent" on the 31st October, 1905. This sailing completed the three-years contract with the New Zealand Government. The New Zealand and South African Steamship Company was approached regarding their intention of continuing the service, and I regretted receiving an intimation from them that they could not renew the contract on the terms hitherto existing. Further tenders were then called, but without success—the only tender received was a joint one from the Shaw, Savill, and Albion Company and the New Zealand Shipping Company, but the large amount of subsidy asked for placed the matter beyond favourable consideration.

There is a feeling all through business circles in the colony that something should be done to keep the connection now established between New Zealand and South Africa by medium of direct service. Petitions have been lodged in this Department and letters from leading shippers are to hand asking for the assistance of the Government in the matter of conveyance of our produce on equal terms with our Australian competitors. The position has now been met to a large extent by the establishment of a direct service by the Tyser Line, without assistance from the Government. This service will be of great benefit to exporters. There is, however, a possibility of the arrivals in South Africa being somewhat irregular owing to the steamer calling at a number of ports in Australia. The delays *en route* will, of course, chiefly affect frozen produce. The freights charged by the Tyser Company are at very reasonable rates.

The following table shows the cargoes taken by the final sailings under the contract :—

Summary of Cargo shipped by Undermentioned Subsidised Steamers to South African Ports.

Steamer.	Carcases Lamb.	Carcases Mutton.	Quarters Beef.	Crates Rabbits and Hares.	Crates Poultry.	Cases Bacon.	Boxes Butter.	Cases Preserved Meats.	Cases Cheese.	Sacks Wheat.	Sacks Beans.	Sacks Bran.
Moravshire ..	..	..	904	96	525	4	3,844	275	63	..	..	10,477
Banffshire ..	..	394	1,385	..	445	4	3,149	50	136	..	10	1,720
Narvshire† ..	200	40	1,164	30	340	2	3,051	1,040	60	3,018	1,064	555
Ayrshire ..	200	10	762	..	515	..	3,000	486	53	9,749	..	150
Essex ..	200	..	640	75	..	3	..	303	77	11,524	..	4,511
Haverham Grange ..	210	10	..	75	675	4	1,495	892	51	11,490	..	5,669
Kent ..	..	..	..	75	65	2	2,265	50	37	1,222	..	2,116