

treatment is accorded. British-made boots and shoes are also said to benefit considerably. The imports of these from the United Kingdom were in 1903 only £118,209, but by 1906 they amounted to £204,032, whilst the imports from the United States on the other hand, which amounted to £107,713 in 1903, had fallen to £46,846 in 1906. The imports of the same goods from Australia, which also had the advantage of preferential treatment, increased in the same period from £10,030 to £25,180. It should be stated, however, that the increase in the United Kingdom's export to New Zealand of these particular goods is ascribed in part also to alterations in methods of British manufacturers, made in the effort to recover trade from the United States. Other commodities, which were specifically mentioned as having derived a substantial benefit from preferential treatment, were printing-paper, in regard to which Canada is said to have benefited at the expense of the United States, the imports from the former country having risen from £2,216 in 1903 to £33,599 in 1906, whilst the import from the United States fell from £40,909 to £20,361 in the same period; and tinned salmon, as to which it is stated that British Columbia now furnishes the supply which previously came from the United States. On the other hand, the amount of preference was stated in several cases to have been insufficient to affect seriously the course of trade: it was pointed out, for example, that on pianos the 10 per cent. additional *ad valorem* duty on foreign goods had very little effect, at least as regards the better class of instruments—firstly, because people who wished to have a good piano were not deterred by an extra 10 per cent. duty; and, secondly, because the lower freights obtainable from Hamburg to some extent neutralised the preferential rate. The latter point was urged in the case of a number of commodities—that the amount of the preference did not counterbalance the lower freights (as compared with those from the United Kingdom) obtainable from the United States and, in some cases, from the Continent of Europe, *via* Australia, or even (in a few instances) *via* British ports.

In July of the present year (1907) the New Zealand Government proposed a revision of the tariff. This has since been adopted, and must have a considerable effect on British trade as a result of the additional preference granted, particularly on food commodities, drugs, chemicals, medicines, metal manufactures, electrical machinery, some leather goods, furniture, cabinetware, and numerous miscellaneous articles. As a rule the duties of the old general tariff remain unchanged for these goods when of British origin, but an additional duty is imposed on similar goods when derived from foreign countries. Tea is henceforth to be imported free only when in packets exceeding 5 lb. in weight. A number of articles hitherto subject to duty are to be admitted free, whatever their origin; such are sugar, currants, raisins, some dried fruits, unground spices, and (far more important to British trade) cotton or linen piece goods, dress prints, paper-hangings, and certain kinds of common and plate glass. The amount of protection which the tariff gives to the New Zealand manufacturer has been reduced only in a few cases, the most important being cotton goods (which are not produced in New Zealand). On the other hand, though the protective tariff which the British manufacturer and trader has to encounter has in the main not been diminished, the new arrangement increases the advantage which he enjoys in the New Zealand market over his foreign rivals.

(ii.) *Steamship Communication.*

The other influence of general importance in determining the share of the United Kingdom in the total import trade of New Zealand is the fact that there is no direct steamship communication between the Continent of Europe and ports of the Dominion; and that, consequently, in most cases goods go *via* London (as transshipments there), the through rates from Bremen and Hamburg being generally about 4s. per ton higher than from London. In some cases, however, rates are the same, and in other instances even lower than from London, the British lines being said to accept the same or lower rates for continental traffic in order to diminish the possibility of lines of steamers being run direct from the Continent to New Zealand. A certain amount of goods goes, however, by German steamers to Australia, the goods being transhipped there for New Zealand. In addition to the regular fortnightly mail-service from London to Wellington* and Lyttelton, and the monthly cargo-boats, there has been since 1904 a regular service of monthly steamers between New Zealand and the chief west-coast ports of the United Kingdom—Cardiff, Bristol, Liverpool, Manchester, and Glasgow. This was established by a contract between the New Zealand Government and the African Steamship Company, in order to facilitate the shipment of New Zealand produce (particularly frozen meat) to the United Kingdom. Efforts are also being made to develop regular steamship communication between New Zealand and all other British possessions; notably, in 1906, a contract was entered into between the Canadian Government and the New Zealand Government on the one hand and a steamship company on the other to provide, for a period of one year, a two-monthly cargo service between New Zealand ports and the western ports of Canada. There is a strong desire throughout New Zealand to develop the intercolonial service still further. There is also a service between New Zealand and South African ports, but it is direct (*i.e.*, without calling at Australian ports) only when full cargoes offer from the Dominion. There is no regular service from the United States at present, but there are frequent sailings from that country, and occasionally United States traders combine to charter a vessel to carry goods to the Dominion.

NEW ZEALAND MANUFACTURES.

Before examining the import trade in detail, there is one other matter of some importance at present, and possibly of much greater importance in the future, to be taken into account. The manufacturers of the United Kingdom have to consider not only the nature and extent of the competition which they encounter with foreign countries, and its probable developments, but also the competition which arises from the Dominion itself; and there a number of cases in which the