

(f.) Stricter grading of butter and hemp should be secured, if the reputation of these articles is not to suffer. Every effort should be made to obtain uniformity of practice by the graders at different ports, so that importers may place absolute reliance upon the Government brands.

(g.) The better handling of produce, especially at Liverpool and Glasgow, is a subject that ought to engage the attention of the State. If the Government were to place itself in communication with the Harbour Trusts at these two ports it might be found possible, at small cost, to have arrangements made that would prevent meat and dairy-produce suffering serious deterioration from the imperfect methods of handling now employed.

(h.) Leaflets, on the plan of those already issued from the High Commissioner's Department, should be continuously distributed among wholesale and retail dealers, setting forth the merits of New Zealand meat, butter, and other products.

(i.) Instruction in butter-blending might well be given by the Government, with a view to the establishment of an export trade in superior blended butter. The new Butter Bill passed by the Imperial Parliament will have a tendency to increase the practice of blending and renovating colonial butters, and there is no reason whatever why the New Zealand dairy factories should not share in the profits of this very lucrative business. Blended butter is a perfectly honest article, which suits the requirements of a large section of British consumers, and by catering to that class of customers an excellent market would be found for the New Zealand dairy-butters which at present realise the lowest prices.

(j.) Removal of the export duty on timber sent to the United Kingdom. This would give a fillip to trade, and would greatly benefit exporters.

### 3. Establishing New Branches of Trade.

An excellent opportunity presents itself for establishing new branches of trade at the west-coast ports, since in such cases there are no obstacles to be encountered in the shape of trade custom and use and wont. Among the undeveloped or partially developed lines of export may be mentioned poultry, bacon, fruit, honey, &c. With a view to the success of these industries, it would be advisable for the Government to appoint experts to give instruction in bacon-curing and in the packing of fruit, &c., for export. There is for these articles a large and constantly expanding market in Great Britain, and I found merchants eager to obtain consignments from New Zealand and desirous of pushing the sale of these commodities.

These, then, are, according to my best judgment, the means that should be employed in order to enhance the trade in New Zealand products and secure better prices to the producer. First in importance is the improvement of the west-coast steamer service, and to this the early attention of the Government should be given. As New Zealand products have to compete in the open market with those of other countries, it is apparent that the costs of transit and handling must fall upon the producers; therefore any cheapening of these costs must benefit the producing and exporting classes. It is doubtless a recognition of this economic truth that makes British importers with London headquarters disinclined to take advantage of the west-coast steam service. Although they could effect large economies by saving the railway charges for distributing goods from London, they see that the money would ultimately find its way into the pockets of the producers, in the shape of enhanced prices, and they therefore decline to make any change. This constitutes a powerful reason why the Government should put forth every effort to secure a diversion of trade to the west-coast ports, and the best way to do this is to subsidise the steamboat service to such an extent as may be thought necessary. The other suggestions for Government and private action I commend most earnestly to the careful consideration of those concerned; and if, on examination, any of them should be found practicable, I advise their adoption, feeling assured that thereby the interests of the producers and the people generally of this country will be furthered, and the reputation and sale of New Zealand products in the Home markets established on a firmer basis than ever.

Wellington, 23rd December, 1907.

I have, &c.,  
J. LIDDELL KELLY.

## APPENDIX.

### I. BRISTOL AS A PORT FOR DISTRIBUTION.

CHARGES PER TON OF FROZEN MEAT (FORTY CARCASSES TO THE TON).—LONDON AND AVONMOUTH COMPARED.

<i>London and India Docks.</i>						Charges per Ton.		
						£	s.	d.
<i>Ex ship to trucks or Smithfield Market</i>	...	...	...	...	...	0	7	6
,, store for twenty-eight days or less	...	...	...	...	...	1	0	9
Total for twenty-eight days or less	...	...	...	...	...	1	8	3
For one to twenty-eight days longer in store	...	...	...	...	...	1	0	9
Total for twenty-nine to fifty-six days	...	...	...	...	...	2	9	0