

1909.

NEW ZEALAND.

INDUSTRIES AND COMMERCE

(EIGHTH ANNUAL REPORT OF THE DEPARTMENT OF).

Presented to both Houses of the General Assembly by Command of His Excellency.

The MINISTER OF INDUSTRIES AND COMMERCE to His Excellency the GOVERNOR.

Department of Industries and Commerce, Wellington,

14th August, 1909.

MY LORD,—

I have the honour to submit to Your Excellency the report of the Department of Industries and Commerce for the year ending 31st March, 1909.

I have, &c.,

THOS. MACKENZIE,

Minister of Industries and Commerce.

His Excellency the Governor of New Zealand.

IN presenting my annual report I desire to say that the manner in which the Dominion has won through a year beset with difficult and trying circumstances seems to me to be admirable. The financial depression which had its genesis in the United States in 1907 had far-reaching effects on nearly every avenue of trade throughout the world. The abnormal tightness of money resulted in the closing-down of a very large number of manufacturing industries throughout the United States and Canada, including woollen-mills, cordage-works, varnish and other factories. This depression very soon evidenced itself in a weakened market in America for our wool, hemp, pelts, kauri-gum, &c. It also partially closed the American markets to British exports, as, the tightness of money preventing the Americans from buying as largely as usual; this, of course, reacted on the manufacturing industries of Great Britain, and lessened the buying-power of the people generally, so that our British markets for all the great staple productions were more or less prejudicially affected. When one considers what has been occurring in the trade of those countries on which we depend for the consumption of our wool and other principal products, it is not difficult to understand the reason for the falling off in the values. Observe the depression in trade in the United States of America and Great Britain. The decrease in the United States was no less than £98,627,000 during 1908, while that of the United Kingdom was £89,206,000. New Zealand's total decrease in trade for the same period was £3,583,040. From these figures it will be seen that what has happened in New Zealand is merely a reflex of what has occurred in other countries—in fact, the depression has been worldwide.

The wool-market, which was reported as being hopelessly depressed during the second quarter of the year, showed a splendid recovery during the closing months. As pointed out at that time, the market was statistically strong, the quantity produced being lessened whilst the demand was increasing. Viewing these facts, I had no doubt that as soon as the financial conditions improved in the United States, Canada, Great Britain, and Germany, there must be an improvement in the wool-market. The forecast made has been amply verified during the closing months of last year and since. Statistically the position is as strong to-day as it was a year ago, and with normal conditions in the money-markets of the manufacturing world there is every reason to believe that the good prices recently obtained will be fairly regularly maintained.

Up to the close of the last financial year the New Zealand frozen meat placed on the Home market sold at usual satisfactory prices, but since the close of the year the market has absolutely collapsed. The position is not altogether dissimilar to that of the wool-market last year, in that the quantity now being placed on the British market compared with the consuming population is smaller than it was some years ago. That a glut has occurred appears to me to be largely due to the reduced purchasing-power of the population of Great Britain owing to trade depression, and the want of regulation in placing supplies upon the market, and in a lesser degree to the unsatisfactory methods obtaining regarding

assessing damage and quality claims. British trade having greatly revived, the latest figures available showing considerable increase in both exports and imports for the past year, it follows that fresh avenues of employment will be open to the people of Great Britain, and consequent thereon a hardening of prices for both mutton and lamb should follow. There is fairly reliable evidence that the American meat trusts are operating largely in Argentine meat, and the actions of the trusts may have some influence on the present slump; but there is no conclusive evidence that this is the case.

The butter and cheese markets throughout the year have been eminently satisfactory. The average prices realised have been greater than for any previous year, and at the same time the volume of exports has been greater. I regret to note that there is this year a greater margin between the prices obtained for Danish butter and New Zealand butter than has been the case for the past two years. This in part is attributed to the fact that New Zealand butter during the present year has carried a greater content of moisture than in previous years. It would appear that other causes were operating, as the margin of difference has since greatly lessened.

Exports of kauri-gum have fallen away during the year as compared with the previous year to the extent of 580 tons, valued at £66,664. A good deal of dissatisfaction has been expressed by gum-diggers with the prices obtained on the fields and in Auckland, and in consequence the Trade Representative was sent to the gum districts to inquire into and report on the matter. A *précis* of his report will be found in the appendices to this report. In order that the Government may be in a position to determine whether it is possible to put the marketing of gum on a better footing, the High Commissioner in London has been instructed to make exhaustive inquiries and to report fully on the conditions of marketing existing in Great Britain and America.

There appear to be reasonably good prospects of cheese maintaining values on the London market for some time to come.

There has been no improvement in the hemp-market throughout the year, but rather a weakening in the prices of 1908, and total exports have decreased in value. The very heavy output of manila hemp continues, but from difficulties arising in connection with labour in the Philippines it is not improbable that an improvement in our prices may result in consequence. Large quantities of New Zealand fibre are, however, well sought after on account of its special value for the manufacture of binder-twines. There are also improved methods of dealing with hemp shortly to be brought into operation here which, it is claimed, will improve the quality and insure better prices being obtained.

The export trade with the western ports of England during the year has been unsatisfactory, and shows a considerable shrinkage. The position is due to some extent, no doubt, to the trade depression, but there are other influences more particularly bearing on the point. The irregular running of the steam service, with indefinite dates of arrival, has been a serious factor in bringing about the present position of trade; coupled with this special terms are being offered by London merchants to buyers in the western districts, which have gone far to cover the cost of railage from London. This, added to the facilities for obtaining regular supplies, has diverted a good deal of the trade *via* London which previously went direct to western ports.

The steam service between Vancouver and New Zealand ports which was subsidised by the Government has been running throughout the year. As, however, the steamers are not fitted with refrigerated chambers, their value has been restricted, and, as the volume of trade being done was small, it was decided not to continue the arrangement with the Alley line on the expiring of the contract in June, 1909.

The rise of Japan as a wool-consuming country, and the enormous increase of her imports from Australia, seems to me to warrant a further inquiry as to whether New Zealand cannot obtain a share, of the great markets now being so successfully exploited in the East by our neighbouring States of Australia.

In order to advertise our main lines of produce, comprehensive displays have been made at several exhibitions. At the Franco-British Exhibition a splendid show was made of all typical New Zealand products, and also at the Imperial International Exhibition which is now open. Other shows at which New Zealand was well represented were the Darlington Grain Show, Yorkshire, and the Colonial Fruit Show of the Royal Horticultural Society, London, in June, 1908, and the Show for Home and Colonial Fruits held in November under the auspices of the same society.

At the Imperial Conference held in London in 1906, strong representations were made by the Right Hon. the Premier as to the necessity for making some provision to keep British exporters posted regarding the trade requirements of the outlying portions of the Empire. He drew attention to the foreign consuls, who are stationed all over the British Empire, to report on trade prospects, while the British exporters had really nobody to apply to for such information regarding the state of commerce in Canada and other British countries. The outcome of this representation was the appointment of Commissioners by the Board of Trade to look after the interest of the Home manufacturers in oversea States of the Empire.

Mr. G. H. F. Rolleston was appointed during the year by the Board of Trade to the position of British Trade Commissioner for New Zealand. His headquarters are fixed in Wellington, and he has visited the main centres of this Dominion in order to meet merchants and business men.

CHAMBERS OF COMMERCE CONGRESS.

The London Chamber of Commerce confirmed the decision to hold the 1909 Congress of Chambers of Commerce in Australasian cities, and it will commence in Sydney on or about the 14th September. To this gathering will come probably three hundred delegates from the chief cities of the United Kingdom and all the British dominions beyond the seas. The Congress will sit for a week or more in Sydney, and afterwards its members will visit the various States of the Commonwealth, and a number are expected

to come to New Zealand. Arrangements are being made by the Associated Chambers of Commerce in the Commonwealth for the entertainment of the visitors, who will have every facility placed at their disposal to enable them to make themselves acquainted with the country.

The Right Hon. the Prime Minister extended an invitation to the members of the Congress to visit New Zealand.

The subjects for discussion and resolution at the Congress to be held in Sydney will be "trade of the Empire, with the kindred subjects of products, manufactures, tariffs, and shipping," and on these matters the recommendations of the Congress are likely to exercise great influence not only on commercial intercourse, but upon Imperial trade relationships. This Congress should have especial interest for Australia and New Zealand, as it will bring a splendid representation of British commercial men into closer touch with the colonies. It is hoped that the delegates will be able to visit New Zealand, as the opportunity of getting so commercially influential a delegation to visit this Dominion is a great one, and may not soon recur.

FIRST INTERNATIONAL CONGRESS OF REFRIGERATING INDUSTRIES.

A matter of great importance was the International Congress of Refrigerating Industries organized and held in Paris during October. This Dominion was represented by Gilbert Anderson, Esquire, whose report to the Hon. the Prime Minister will be found appended hereto; and it was hoped, through the agency of this and similar congresses, to in time get the restriction removed that at present prevents the entry of our refrigerated products to Continental countries; but the action of the French Government has somewhat dissipated that hope, inasmuch as she has increased the duty on frozen meat from 35 to 50 francs per 100 kilos. One result of the Congress has been the formation of an International Cold-storage Association, which will endeavour to further the matters dealt with by the Paris Conference. The Produce Commissioner also attended the initial meeting of this association held in Paris on the 25th January.

MR. GILBERT ANDERSON'S REPORT.

The Congress was opened in Paris on Monday, the 6th October, in the main hall of the University of Paris, the Sorbonne, and lasted for a week.

The opening ceremony, after the distribution of tickets, badges, and programmes, was the reception by the President of the Congress, M. André Lebon, of the official delegates representing the different nationalities of Europe, United States of America, Argentina, Canada, Australia, and New Zealand.

In the afternoon the official ceremony was held in the amphitheatre of the Sorbonne. There were probably some three thousand persons present, the Minister of Agriculture being in the chair. M. André Lebon gave an address on the importance of refrigeration, and the benefit to be derived from the Congress. The other speakers were Professor Linde, who spoke on refrigeration from a scientific and commercial point of view. Various speakers representing the different nationalities also spoke, Sir Montague Nelson being the representative of the British section.

The work of the Congress was divided into six sections, separate rooms in the Sorbonne being especially allotted to each section. The following is the work which has been done during the week:—

The First Section was of a highly scientific nature, and discussed questions pertaining to low temperature and liquefaction of air. Professor Onnes, who has been making recent experiments with the liquefaction of helium, gave a very interesting paper.

Other interesting papers were also read and discussed, of more or less of a technical character than a practical every-day's work.

The most interesting subsection was that devoted to hygienic subjects, such as the dietetic value of refrigerated food, chemical and bacteriological experiments, and also the subject of mould and its effects on refrigerated produce.

One of the most valuable papers read at the Congress was that of Dr. Rideal, of London, who has made lengthy experiments in regard to the temperature at which food should be kept, the benefit or otherwise of low temperature in reference to the nutritive qualities of meat, and its effects in distributing germs of possible life of bacteria, the paper going to prove that the refrigeration of all foods assisted their healthiness. Dr. Rideal claims that of all foods subject to low temperature there would be a decided benefit, as far as frozen meat was concerned. He emphasized the necessity for great cleanliness in handling the products in the first instance, the use of strong disinfectants in all buildings where animal food was handled, but more particularly he emphasized the need for great care in handling the products in a cleanly manner, especially in the retail shop.

A subject of considerable importance as far as the freezing industry in the colonies is concerned was the necessity to see that all slaughtering appliances were in the very best order.

He also mentioned a fact which must come as a surprise to many—namely, that the calico wrappers used for covering carcasses of meat were sized or stiffened with a substance which on examination he found to produce mould and bacteria when brought into favourable conditions, such as dampness or thawing. It should be required that all freezing companies must have a guarantee that the calico wrappers are made of pure cotton.

An interesting paper was the growth of mould, and the question as to whether the same was harmful or not—read by C. J. Tabor, of London. Other papers in this section dealt with the chemical sides of the question.

Section 2: The subject under this section was of a very technical character, consisting in papers and discussions on refrigerating machinery, the effects produced by compressing the gases, the various quantities and standards used in the industry.

One subject in particular causing considerable discussion was that of a proposal to establish a standard of refrigerating measures and units specially for machines.

When these papers are published *in extenso*, they will afford a valuable study for refrigerating engineers throughout the world. The section comprised papers on the construction of stores, the various insulating materials, a full inquiry into the question of insulating and the various classes of materials, methods for testing insulation, especially those required to preserve the woodwork of steamers and of freezing-chambers not constantly in use.

Many valuable lessons will be learned in the future as to the construction of buildings and the application of machinery, which were not available heretofore.

The Third Section dealt with the question of the refrigeration of food in its various aspects: first, as applied to abattoirs, markets, dairies; also the refrigeration applied to the storage of eggs, fruit, butter, fish, meat, and storage of game for a longer period.

These various questions interested the countries of Europe to a greater extent owing to the quantity of meat that is held in chilled conditions for a short period.

There was considerable discussion as to refrigeration applied to the manufacture of butter, most of the European countries being largely interested in this discussion.

There was also, under this section, the question of victualling the armies, which will, no doubt, be considered very fully in the future, the advantage of the saving to be gained by keeping supplies in cold-storage being considered to be great.

The fishing industry, which is of such interest in and around Europe, also called forth considerable discussion and many different views.

Section 4 dealt with refrigeration applied to industries other than that of food, such as the retardation of the flowering of plants, the preservation of flowers, the keeping of bulbs. Ice-making came under this section in all its aspects, such as purity, economy, and methods of refrigeration and clarification of beverages, and the application of cold to breweries and to wines; and also the use of cold air in the manufacture of iron, of paraffin, as also that of matchmaking, were all subjects which were novel as they were interesting.

Section 5 was one of the most popular in the whole Congress, relative to the transport of refrigerated goods. Under this section came the proper carriage of fruit, including bananas and apples. Considerable information was derived from the American experience of carrying fruits from San Francisco to New York, an interesting paper on this subject being read by G. Harolf Powell, Pomologist, United States Department of Agriculture.

The carriage of meat by sea and the proper insulating of steamers created considerable discussion. The Lloyd's representatives were there, and pointed out how, with the present methods, determining and locating damage was very defective. Unfortunately, this was a subject which did not appeal to the majority of Europeans in the Conference. A paper read by James T. Milton, chief engineer-surveyor to Lloyd's Register; also one on the risks involved in the carriage of refrigerated cargoes, by W. Lund—these papers will be of great importance to the colonies when they are printed *in extenso*.

G. Troubridge Critchell, of the Australian *Pastoralists' Review*, had prepared the general statistics of the British import of refrigerated food-produce, which showed that in the short time this industry had been in existence—namely, from 1880 to 1907—it had formed no less an amount than £387,986,553 of the value of the imports into Great Britain. This fact came as a great surprise to the various European delegates, and showed to what an extent this industry had grown, and the manner in which the British nation had availed itself of an industry which was really invented by other nations.

Many subjects discussed in this section were purely of a local character, and did not affect the large refrigerating industries of North and South America and the colonies.

Section 6: This section had delegated to it all questions which would require legislation in some form or other to bring them into practical use. The question of legislation was certainly referred to in some of the other sections, in connection, for instance, with the difficulties that Russia experiences in sending her frozen produce, such as eggs and game, to Paris. It seems strange that the same cannot be sent direct, but has to come to England and be transhipped to Paris. Another strange law is that eggs have to be sold within a few days of arrival in the country, completely defeating the benefit of cold-storage. Many of these questions from Russia were therefore referred to Section No. 6.

The principal paper, however, under this section, was one by T. B. Proctor of the C.C. and D. Company, on the value of refrigeration of the food-supply of the poorer classes.

Other papers were more of a local character, or referred to particular rules and regulations in reference to cold-storage, and the holding of goods, or the selling of game, &c., out of season.

The paper probably of most interest to the colonies was that on meat-inspection from an international standpoint, read by Gilbert Anderson, the official representative of the Dominion of New Zealand.

Mr. Anderson gave a *résumé* of the growth of the meat industry in all parts of the world, but particularly concerning New Zealand, showing that when sheep were first exported from that country there were 12,190,215 sheep in the country. Since then, over 58,000,000 have been exported, and yet in 1907 the sheep in the country were 20,983,772. He also showed the great growth in other countries; the benefit to the public in general and to the poorer classes of having sheep food; and showed that the agrarians need not fear the introduction of frozen meat, as the experience of Great Britain was that the price of stock had been fully maintained, even though the import of meat into Great Britain was something like ten million carcasses of sheep and lamb annually, and something like two million quarters of beef. Mr. Anderson recognised that the meat-inspection laws in France, Germany, and Austria were scientifically correct, but showed that the restrictions and local conditions were such as to make the importation of meat almost impossible; that, in view of the many scandals in regard to meat trusts and meat-inspection, the only method was for an international standard to be adopted;

that this could only be arrived at by a conference of the various representatives from different countries adopting a standard of meat-inspection. As the New Zealand Meat-inspection Act is recognised to be one of the most carefully drawn and thorough in its bearing, Mr. Anderson put in with confidence the New Zealand Act as a typical one to be followed. It was agreed to recommend the adoption of Mr. Anderson's proposals. Should this be carried out in some future time, the value to the meat-producing countries in the world would be invaluable.

The Hon. T. A. Coghlan tabled a motion suggesting that all countries should remove restrictions of every description, including duties ; but, as this is mainly a political subject, it is doubtful whether the motion will have any practical result.

It has been impossible to follow the various motions tabled in the different sections, and it will take some time before they are all summarised.

The general opinion is that the Congress has been most successful. It must be borne in mind that this was the first Congress on refrigeration that has been held ; that the subjects were many and various ; and that some of the countries had had very little experience. The classification and the bringing-together of the various members from the different countries of the world will have of itself a very beneficial effect.

At the close of the Congress a meeting was called of all the official delegates from the different countries, and it was unanimously decided that a permanent international committee should be formed, and that a Congress on refrigeration should be held from time to time. It was also decided that the next conference shall be held in Vienna in 1910.

There was a feeling throughout the Conference that better arrangements might have been made for the English-speaking countries. The official language of the Conference was French, but there were not sufficient interpreters provided in the various sections, so that frequently the point of an argument was lost through want of knowledge of the language and phrases used, many of which were of a technical character. Generally, however, there were a sufficient number of members who spoke various languages, and the general courtesy shown in making the discussion clear and assisting members was very marked. One must admit that there has been a great amount of work done.

The scientists have been encouraged to make further research into the various problems. The practical sides of the question have been at all times before the Conference, such as storage, carriage, and markets.

Members of the Congress must also accord to the people of Paris their gratitude for the great hospitality which was extended to them throughout the Conference. The opening ceremony and also the grand banquet were of a very imposing character. All the members of the Congress must leave Paris with a high regard for the organizing abilities of the French people, the thoroughly satisfactory manner in which they approached the various subjects, and, above all, for their general kindness and good will.

APPENDICES.

APPENDIX I.

EIGHTH ANNUAL REPORT OF THE SECRETARY OF INDUSTRIES AND COMMERCE.

Department of Industries and Commerce,

Wellington, 9th August, 1909.

SIR,—

I have the honour to submit herewith the departmental report for the year ending 31st March, 1909.

I have, &c.,

C. R. C. ROBIESON,

Acting for Secretary.

The Hon. T. Mackenzie, Minister of Industries and Commerce.

The financial depression so universally experienced during 1907 and 1908 has, I regret to state, had a marked effect on the export trade of this Dominion during the past year, and, although a recovery set in during the last three months of the year, it was not sufficient to entirely wipe out the heavy set-back experienced during the previous nine months. The total value of exports for the year ending 31st March, 1909, was £17,011,801, compared with £17,869,354 for the year ending 31st March, 1908, showing a decrease of £857,553.

Those exports which have chiefly suffered owing to the depressed markets are,—

						£
*Wool	..	..	..	..	21,722,220 lb.	525,575
Mutton	..	..	..	..	10,131 cwt.	36,244
Skins	..	..	..	..	159,131	195,365
Hemp	..	..	..	..	11,275 tons	376,233
Gold	..	..	..	..	34,649 oz.	139,119
Kauri-gum	..	..	..	..	580 tons	66,664

* Increased output, but decrease in value.

On the other hand, increases have taken place in the case of butter, cheese, beef, lamb, oats, and timber.

In order to show how universal has been the depression in trade, I append some figures which I have collected and tabulated on a percentage basis. It will be noticed that nearly all countries of any importance were affected, irrespective of their geographical position, or whether they were producers of raw materials or vendors of manufactured goods.

Country.	1907.	1908.	Decrease.	Percentage of Decrease.
	£	£	£	
United States	691,360,000	592,733,000	98,627,000	14·2
Egypt	55,543,000	47,625,000	7,918,000	14·2
Canada	124,117,000	108,934,000	15,183,000	12·2
Japan	94,085,000	82,758,000	11,327,000	12·0
India (British)	209,282,000	188,374,000	20,908,000	9·9
New Zealand	37,371,818	33,788,778	3,583,040	9·5
United Kingdom	979,901,000	890,695,000	89,206,000	9·1
Australia	121,626,000	111,221,000	10,405,000	8·5
Switzerland	113,615,000	105,034,000	8,581,000	7·5
South Africa (British)	75,079,000	70,473,000	4,606,000	6·1
Belgium	249,740,000	238,317,000	11,423,000	4·5
France	472,762,000	454,512,000	18,250,000	3·8
Germany	766,884,000	741,078,000	25,806,000	3·3
Austria-Hungary	206,636,000	202,392,000	4,244,000	2·0

The trade of the United Kingdom suffered to the extent of 9·1 per cent. and that of New Zealand 9·5 per cent. In this connection it is instructive to note that, as the great bulk of our trade is with the United Kingdom, any set-back in trade received by the Motherland must inevitably react on the trade of this Dominion.

It is unfortunate that the Dominion is still in the position, metaphorically speaking, of having too great a proportion of its eggs in one basket—viz., the market of the United Kingdom.

NEW ZEALAND MEAT CONTRACTS FOR PUBLIC INSTITUTIONS.

Arrangements have been made through the High Commissioner's office that New Zealand meat should be specified in the tender-forms issued for the supply of this commodity to several of the public institutions. The Produce Commissioner reports that he has frequently been requested to inspect the meat-supply at infirmaries and other institutions, and has always complied with the request, as it has enabled him to find openings for the sale of New Zealand meat that had not previously been available.

SAN FRANCISCO MAIL-SERVICE *via* TAHITI, AND TRADE WITH COOK AND SOCIETY ISLANDS.

In January of this year a contract was entered into with the Union Steamship Company (Limited) for the maintenance of a steam service every thirty-six days between Wellington, the Cook Group, and the Society Islands; the contract to run for one year only.

For this service the Government granted a subsidy of £7,000 in connection with the carriage of mails between New Zealand and San Francisco, the mails to be transhipped into Messrs. Spreckels's line of steamers at Papeete, the capital and the principal port of the Society Islands.

So far as the Cook Group of Islands is concerned the great bulk of its trade is done with New Zealand; but that is not the case regarding Tahiti, the principal portion of its trade being with the United States.

It is hoped that the inauguration of this mail-service will result in a larger proportion of the trade of the Society Islands coming through New Zealand channels, more especially as the means of communication between this group of islands and New Zealand is now more frequent than with the United States.

In addition to the special mail-service referred to above, with Wellington as its port of arrival and departure, a twenty-eight-days service is also maintained between Papeete and Auckland by steamers of the Union line.

TRADE WITH THE EAST.

The desirability of endeavouring to secure a share of the trade with the East is worthy of further consideration. Efforts towards that end have been made in the past by sending a trade representative to the East to inquire into the possibilities of opening up an export market for New Zealand produce, and the whole matter was carefully investigated.

It was, however, shown that, in the absence of a direct service from New Zealand to the countries concerned, the extra freight to Australia, and transshipment and incidental expenses in Australian ports, were too severe a handicap to allow of our products competing with those of Australia in this market.

The subsidy required for the initiation of a direct steam service suitable for the trade was considered to be too heavy to warrant the expenditure under the conditions then prevailing. In view, however, of the rapid developments now going on in this direction, and more particularly the rise of Japan as a wool-consuming country, the whole question is one well worthy of further consideration. New Zealand's trade with Japan, and more especially our export trade, is insignificant, viz.,—

Imports into New Zealand from Japan, 1908	£ 88,211
Exports to Japan from New Zealand, 1908	148

In comparison with these figures the statistics of Australia's trade with Japan given below are significant, more especially when we note that the export of wool alone jumped up £371,142 in value during 1907, and the total trade has increased from £455,240 in 1903 to £1,261,265 in 1907.

The interchange of trade between Australia and Japan is as follows :—

Year.	Imports into Japan.			Exports from Japan.			Total Trade.		
	£	s.	d.	£	s.	d.	£	s.	d.
1903	119,993	10	0	335,246	10	0	455,240	0	0
1904	439,908	10	0	443,858	18	0	883,767	0	0
1905	600,119	12	0	407,293	12	0	1,007,413	4	0
1906	412,805	2	0	422,566	4	0	835,371	6	0
1907	781,875	0	0	479,390	0	0	1,261,265	0	0

It will be seen by these figures that the increase of imports of Australian produce into Japan reaches the large sum of £662,882, while the exports to Australia have increased by £56,000.

The principal Australian exports during 1907 consisted of—

£			£			£		
Wool	571,646		Bacon	42		Hides and skins ..	8,979	
Leather	892		Fruit	333		Timber	8,210	
Flour	4,255		Tinned meat, &c. ..	3,560		Lead	1,063	
Wheat	55,016		Horses	10,365		Mutton	573	
Butter	5,603		Tallow	22,898				
Cheese	15		Bones, &c. ..	8,434				

All of which are produced in New Zealand.

Other Eastern countries, such as China and the Straits Settlements, seem to offer opening for New Zealand produce. The exports from Australia to the Straits Settlements in 1907 were valued at £792,283, and to China £126,417.

MONTHLY EXPORT LEAFLET.

This publication by the Department is now in its third year of issue, and the additions in detail made have been much appreciated by exporters and producers. It is forwarded to the Press throughout the Dominion, to Chambers of Commerce, farmers' unions, merchants, and shippers; and, owing to the constant requests from new sources for regular monthly copies, it has been found necessary to considerably increase the issue. Complaints have been made on several occasions that these returns are not reliable; and there is some ground for these complaints. The information can be obtained through one source only—viz., the Customs Department—and the Customs Act provides for six days' grace to shippers in handing in export entries, and the Customs Department finds it very difficult to get even this liberal allowance observed. It therefore follows that shipments made during the last six days of any month, and often for a greater period, are not recorded until the following month. In my opinion the days of grace should be greatly reduced, and the shippers compelled to strictly observe the law. The returns would then be sufficiently accurate for all purposes.

ADVICE OF EXPORTS SHIPPED FROM NEW ZEALAND.

I have again to thank the various shipping companies for their courtesy in supplying the Department with correct copies of their steamers' manifests. The principal particulars of these are cabled to the High Commissioner, who in turn transmits the information to trade papers in Great Britain, and to merchants and brokers.

HIGH COMMISSIONER'S CABLE.

The weekly cabled reports from the High Commissioner have been regularly received and published, and the prices obtained at the opening and closing of the wool-sales have also been promptly advised. The appended schedules give the current prices as cabled, and the average price received for every line of produce each month during the past two years.

The New Zealand Press Association has the contents of this cable promptly despatched to all its subscribers, and, in the case of a paper not being a member of the association showing good cause why it should have similar information, it is supplied by the Department direct.

I consider that the cabled market reports from the High Commissioner could be made more valuable if they were sent with greater frequency when important fluctuations in the market take place, or when any special conditions are operating for or against the market. At present the cables come once a week, and any noticeable fluctuations which may occur between the regular cables are not advised. It may at any time happen that immediately after the sending of the weekly cable a sharp rise or fall may take place in the price of any particular line of produce, and I think it is advisable that when circumstances of this kind arise the particulars should immediately be cabled by the High Commissioner.

Cablegrams from the High Commissioner for New Zealand showing the Average Prices quoted in the United Kingdom for the undermentioned Principal Lines of New Zealand Produce, 1908-9.

Date.	Lamb, per Pound.		Mutton, per Pound.		Beef, per Pound.		Butter, per Hundred-weight.	Cheese, per Hundred-weight.		New Zealand Hemp, on Spot, per Ton.		Cocksfoot, per Hundred-weight.	(a) Short-berried Wheat, per 496lb.	(a) Long-berried Wheat, per 496lb.	Sparrow-bill Oats, per 384lb.	Danish Oats, per 320lb.	Beans, f.a.g., per 504lb.	Partridge Peas, per 504lb.	New Zealand Peas (Blue), per 504lb.	(b) Kauri-gum, per Hundred-weight.	Bradford Tops.					Merinos, 60s.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	Canterbury.	North Island.	Canterbury.	North Island.	Hind-quarters.	Fore-quarters.		White.	Coloured.	Good fair grade.	Fair grade.										Low Cross-breds, 36s.	Medium Cross-breds, 44s.	Half-breds, 50s.	Quarter-breds, 56s.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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(a) Short- and long-berried wheat are quoted on spot and ex granary. (b) Kauri-gum is quoted for pale amber and bush classes to common pickings.

Cablegrams from the High Commissioner for New Zealand showing the Average Prices quoted in the United Kingdom for the undermentioned Principal Lines of New Zealand Produce, 1908-9—continued.

Date.	Lamb, per Pound.		Mutton, per Pound.		Beef, per Pound.		Butter, per Hundredweight.		Cheese, per Hundredweight.		New Zealand Hemp, on Spot, per Ton.		Cocksfoot, per Hundredweight.	(a) Long-berryed Wheat, per 496lb.		Spartan Bill Oats, per 384lb.	Danish Oats, per 320lb.	Beans, per 504lb.	Partridge Peas, per 504lb.	New Zealand Peas (Blue), per 504lb.	(b) Kauri-gum, per Hundredweight.	Braiford Tops.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
	Canterbury.	North Island.	Canterbury.	North Island.	Hind-quarters.	Fore-quarters.	Butter, per Hundredweight.	White.	Coloured.	Good fair grade.	Fair grade.	(a) Long-berryed Wheat, per 496lb.		(b) Short-berryed Wheat, per 496lb.	Medium Cross-breds, 44s.							Half-breds, 50s.	Quarter-breds, 56s.	Merinos, 60s.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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Mar. 6 ..	54	44	38	38	31	31	106/	60/	64/	23/10/	22/10/	

(a) Short- and long-berryed wheat, sparrowbill and Danish oats, beans, and partridge peas are quoted on spot and ex granary.

(b) Kauri-gum is quoted for pale amber and bush classes to common pickings.

* Old crop.

Table showing the Average Prices realised Monthly in London for the undermentioned Principal Lines of New Zealand Produce during the Years 1907-8-9.

Month.	Lamb, per Pound.				Mutton, per Pound.				Beef, per Pound.*				Butter, per Hundredweight.				Cheese, per Hundredweight.				Hemp, G.F., on spot, per Ton.				Cocksfoot, per Hundredweight.			
	Canterbury.		North Island.		Canterbury.		North Island.		Canterbury.		North Island.		Canterbury.		North Island.		Canterbury.		North Island.		Canterbury.		North Island.		Canterbury.		North Island.	
January	1907. 6½	1908. 6½	1909. 6½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	107	1907. 63	1908. 63	1909. 63	1907. 39 0	1908. 39 0	1909. 39 0	1907. 48	1908. 48	1909. 48	1907. 28 10	1908. 28 10	1909. 28 10	1907. 50	1908. 50	1909. 50	1907. 78
February	1907. 6	1908. 6	1909. 6	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	102	1907. 65	1908. 65	1909. 65	1907. 39 0	1908. 39 0	1909. 39 0	1907. 48	1908. 48	1909. 48	1907. 27 10	1908. 27 10	1909. 27 10	1907. 50	1908. 50	1909. 50	1907. 78
March	1907. 5½	1908. 5½	1909. 5½	4½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	100	1907. 65	1908. 65	1909. 65	1907. 38 0	1908. 38 0	1909. 38 0	1907. 50	1908. 50	1909. 50	1907. 24 10	1908. 24 10	1909. 24 10	1907. 50	1908. 50	1909. 50	1907. 78
April	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	98	1907. 62	1908. 62	1909. 62	1907. 34 0	1908. 34 0	1909. 34 0	1907. 52	1908. 52	1909. 52	1907. 26 0	1908. 26 0	1909. 26 0	1907. 52	1908. 52	1909. 52	1907. 80
May	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	99	1907. 66	1908. 66	1909. 66	1907. 35 0	1908. 35 0	1909. 35 0	1907. 54	1908. 54	1909. 54	1907. 25 10	1908. 25 10	1909. 25 10	1907. 54	1908. 54	1909. 54	1907. 80
June	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	99	1907. 65	1908. 65	1909. 65	1907. 34 0	1908. 34 0	1909. 34 0	1907. 54	1908. 54	1909. 54	1907. 27 0	1908. 27 0	1909. 27 0	1907. 54	1908. 54	1909. 54	1907. 80
July	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	99	1907. 61	1908. 61	1909. 61	1907. 35 0	1908. 35 0	1909. 35 0	1907. 57	1908. 57	1909. 57	1907. 26 10	1908. 26 10	1909. 26 10	1907. 57	1908. 57	1909. 57	1907. 80
August	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	104	1907. 60	1908. 60	1909. 60	1907. 34 0	1908. 34 0	1909. 34 0	1907. 50	1908. 50	1909. 50	1907. 26 0	1908. 26 0	1909. 26 0	1907. 50	1908. 50	1909. 50	1907. 80
September	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	107	1907. 60	1908. 60	1909. 60	1907. 32 0	1908. 32 0	1909. 32 0	1907. 62	1908. 62	1909. 62	1907. 27 0	1908. 27 0	1909. 27 0	1907. 62	1908. 62	1909. 62	1907. 90
October	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	116	1907. 60	1908. 60	1909. 60	1907. 30 10	1908. 30 10	1909. 30 10	1907. 72	1908. 72	1909. 72	1907. 26 0	1908. 26 0	1909. 26 0	1907. 72	1908. 72	1909. 72	1907. 85
November	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	118	1907. 60	1908. 60	1909. 60	1907. 29 10	1908. 29 10	1909. 29 10	1907. 74	1908. 74	1909. 74	1907. 26 0	1908. 26 0	1909. 26 0	1907. 74	1908. 74	1909. 74	1907. 78
December	1907. 5½	1908. 5½	1909. 5½	5½	1907. 4½	1908. 4½	1909. 4½	3½	1907. 3½	1908. 3½	1909. 3½	119	1907. 60	1908. 60	1909. 60	1907. 28 10	1908. 28 10	1909. 28 10	1907. 75	1908. 75	1909. 75	1907. 25 0	1908. 25 0	1909. 25 0	1907. 75	1908. 75	1909. 75	1907. 78

* Beef forequarters average 1d. per pound less than hindquarters.

Comparative Table showing Value of Exports of New Zealand Products, Years ending 31st March, 1908-9.

Article.	Value.		Increase.	Decrease.	Quantities.		Increase.	Decrease.
	1909.	1908.			1909.	1908.		
Wool ..	5,537,861	6,063,436	£ ..	£ 525,575	179,674,074 lb.	157,951,854 lb.	21,722,220 lb.	..
Lamb ..	1,617,934	1,457,373	160,561	..	873,061 cwt.	837,141 cwt.	35,920 cwt.	..
Mutton ..	1,148,034	1,184,278	36,244	..	383,054 "	372,923 "	10,131 "	..
Beef ..	455,012	420,205	34,807	..	373,390 "	354,147 "	19,243 "	..
Salted beef ..	11,637	14,503	2,866	..	9,450 "	11,009 "	..	1,559 cwt.
Live-stock ..	62,002	58,067	3,935	..	7,781 number	13,461 number	..	5,680 number.
Preserved meats ..	98,639	107,688	8,989	..	40,500 cwt.	53,224 cwt.	..	12,724 cwt.
Rabbits and hares ..	53,601	72,755	19,154	..	74,750 "	96,922 "	..	22,172 "
Bacon and hams ..	7,852	6,226	1,626	..	2,156 "	1,643 "	513 cwt.	..
Hides ..	169,367	188,367	19,000	..	177,357 number	187,984 number	..	10,591 number.
Sheep and rabbit skins ..	586,560	781,925	195,365	..	12,098,619 "	12,257,760 "	156 tons	159,131 "
Tallow ..	526,952	526,365	587	..	19,839 tons	19,683 tons	156 tons	..
Sausage-skins (casings) ..	70,013	65,894	4,119	..	15,740 cwt.	15,241 cwt.	499 cwt.	..
Butter ..	1,423,198	1,338,393	83,805	..	275,956 cwt.	271,323 "	4,633 "	..
Cheese ..	865,456	792,318	73,138	..	310,085 "	282,673 "	27,412 "	..
Hemp ..	310,364	686,597	376,233	..	14,196 tons	25,471 tons	11,275 tons.	..
Tow ..	19,673	52,298	32,625	..	3,407 "	5,760 "	2,353 "	..
Timber ..	370,116	340,253	29,863	..	80,795,532 sup. ft.	77,927,596 sup. ft.	2,867,936 sup. ft.	..
Kauri-gum ..	444,309	510,973	66,664	..	6,743 tons	7,323 tons	580 tons.	..
Fungus ..	6,491	11,002	4,511	..	2,665 cwt.	4,429 cwt.	1,764 cwt.	..
Gold ..	1,942,968	2,082,087	139,119	..	489,546 oz.	524,195 oz.	34,649 oz.	..
Silver ..	181,326	156,884	24,442	..	1,800,397 "	1,522,993 "	277,404 oz.	..
Coal ..	77,901	98,463	15,562	..	89,811 tons	110,909 tons	21,098 tons.	..
Minerals ..	10,251	36,940	26,689	..	1,691 "	2,346 "	655 "	..
Wheat ..	583	352	231	..	2,802 bushels	1,453 bushels	1,349 bushels	..
Oats ..	127,630	4,618	123,012	..	1,097,083 "	33,381 "	1,063,702 "	..
Barley ..	11,841	19,308	7,467	..	48,203 "	54,750 "	6,547 bushels.	..
Beans, peas, and maize ..	22,306	28,710	6,404	..	94,990 "	117,246 "	22,256 "	..
Bran and pollard ..	5,393	4,372	1,021	..	1,162 tons	302 tons	260 tons	..
Seeds, grass and clover ..	30,169	84,420	54,251	..	19,284 cwt.	33,756 cwt.	14,472 cwt.	..
Flour ..	707	1,414	707	..	62 tons	158 tons	96 tons.	..
Hops ..	5,351	11,209	5,858	..	1,237 cwt.	2,798 cwt.	1,561 cwt.	..
Potatoes ..	1,837	1,167	670	..	276 tons	143 tons	133 tons	..
Chaff, hay, and straw ..	66,010	327	65,683	..	13,154 "	58 "	13,096 "	..
Fish and oysters ..	25,730	23,362	2,368	..	..	..	..	..
Sundry products and manufactures* ..	717,667	641,805	75,862	..	..	..	..	..
Totals ..	17,011,801	17,869,954	685,730	1,543,283	..	..	..	..

* Includes woollens, wearing apparel, boots, leather goods, and parcels post.

Exports, 1908, as per table ..

1909, ..

Total decrease in value of exports, 1909 ..

£ ..

17,869,354

17,011,801

£857,553

or a decrease of 4.7 per cent.

I append a brief review of the state of the markets during the year just passed for the chief items mentioned in the foregoing table.

Wool.—The export of wool for the year was 179,674,074 lb., valued at £5,537,861, being an increase in weight to the extent of 21,722,220 lb., but a decrease in value to the extent of £525,575 as compared with the previous year.

The following table shows the prices of wool at the various sales held in London during the year, as cabled by the High Commissioner, and an inspection will clearly show the all-round steady improvement that made itself felt during the opening months of 1909.

Table showing the Average Prices realised in London for Wool during the Twelve Months ending the 31st March, 1909.

Date.	Merino.			Crossbreds.		
	Superior.	Medium.	Inferior.	Fine.	Medium.	Coarse.
1908						
April 3	0/11 to 1/1	0/9 to 0/11	0/5½ to 0/8½	0/10½ to 1/0½	0/8½ to 0/10½	0/5 to 0/8
May 13	0/10 " 1/0	0/8 " 0/10	0/4½ " 0/7½	0/9½ " 0/11½	0/7½ " 0/9½	0/4 " 0/7
" 30	0/11 " 1/0½	0/8½ " 0/10½	0/5½ " 0/8	0/10 " 1/0	0/7½ " 0/9½	0/5 " 0/8½
July 15	0/11½ " 1/1	0/9 " 0/11	0/6 " 0/8½	0/10½ " 1/0½	0/8 " 0/10	0/5½ " 0/9
August 1	0/10½ " 1/0	0/8 " 0/10	0/6 " 0/7½	0/10 " 1/0	0/8 " 0/10	0/5½ " 0/8½
September 30	0/10½ " 1/0	0/8 " 0/10	0/5½ " 0/7½	0/10 " 1/0	0/8 " 0/10	0/5½ " 0/8½
October 20	0/10½ " 1/0½	0/8 " 0/10	0/6 " 0/7½	0/10½ " 1/0½	0/8 " 0/10½	0/5½ " 0/8½
November 25	0/11 " 1/1	0/8½ " 0/10½	0/6½ " 0/8	0/11½ " 1/1½	0/8½ " 0/11½	0/6½ " 0/9½
December 14	0/11½ " 1/1½	0/9 " 0/11	0/6½ " 0/8½	0/11 " 1/1½	0/8½ " 0/11	0/6 " 0/9
1909						
January 20	0/11½ " 1/1½	0/9½ " 0/11½	0/6½ " 0/8½	0/11 " 1/1½	0/9 " 0/11½	0/6½ " 0/9½
February 7	0/11½ " 1/1½	0/9 " 0/11	0/6½ " 0/8½	0/11 " 1/1½	0/8½ " 0/11	0/6 " 0/9
March 10	1/0 " 1/2	0/9½ " 0/11½	0/7 " 0/9	0/11½ " 1/2½	0/9½ " 0/11½	0/6½ " 0/9½
" 26	1/0 " 1/2	0/10 " 1/0	0/7 " 0/9½	1/0 " 1/3	0/9½ " 0/11½	0/6½ " 0/9½

Lamb.—The export of frozen lamb for the year was 2,629,817 carcasses, valued at £1,617,934, as against 2,732,792 carcasses, valued at £1,457,373; a decrease of 102,975 carcasses, but an increase in weight of 35,920 cwt., showing that the average weight of carcasses exported was greater than during the previous year. The decrease in value of the output was £106,561, and this has been brought about largely owing to the trade depression at Home limiting the purchasing-power of the people, a heavy output, and strong competition. Prices for Canterbury and North Island were 5½d. and 5½d. respectively in April, 1908, but had steadily receded until at the 31st March (the close of the year) they stood at 4½d. and 4½d., and, unfortunately, have continued to fall still lower since that date.

Mutton.—The export of frozen mutton for the year was 1,783,698 carcasses = 883,054 cwt., valued at £1,148,034; being an increase of 4,903 carcasses = 10,131 cwt., but a decrease in value to the extent of £36,244 as against the previous year. The mutton-market has steadily receded during the year: opening with Canterbury and North Island at 4½d. and 4½d. respectively, it declined to 3½d. and 2½d. by the 31st March, 1909.

As in the case of lamb, strong competition, over-supplies, and a diminished purchasing-power on the part of the consuming public are the chief factors causing the decrease.

Beef.—The export of frozen beef for the year was 373,390 cwt., valued at £455,012, being an increase of 19,243 cwt. = £34,807 as against the previous year. Prices were well maintained until the close of the year, when heavy arrivals from South America, Australia, and New Zealand, together with large arrivals of United States chilled beef, gave the market a decided downward tendency.

Boned Beef.—This article shows a falling-off in quantity during the year, and its import has been prohibited by the Local Government Board after the 1st January, 1909. Boned beef is usually of a second-class description, and does not open up in an attractive manner; but the New Zealand article has always been carefully dealt with, and only on one or two occasions has fault been found with it. Unfortunately other countries have not been so careful, and large quantities of this class of meat have been found to be diseased and unfit for human consumption. New Zealand has now to suffer the loss of this trade on account of the shortcomings of other countries where the system of inspection is either deficient or non-existent.

Live-stock.—A decreased business has resulted during the year, the prices obtainable in the Australian markets not being sufficiently attractive to induce a large business.

Preserved Meats show a small decline on previous year's business: it will be noted that the previous year showed a large increase in these lines, following on the Chicago meat scandal.

Rabbits and Hares.—The export of rabbits for the year was 71,285 cwt., valued at £51,117, being a decrease of 15,280 cwt. = £16,203 as compared with the previous year.

Bacon and Hams have met with a steady demand during the year, and the output shows both increased weight and value.

Hides have receded slightly in value during the year: the export declined 10,591 in number and £19,000 in value.

Skins (all Kinds).—These show a decrease of £195,365 on the previous year's total, due to depressed market conditions in both Great Britain and America.

Tallow.—The export increased by 156 tons and £587 in value. The market for tallow remains firm, very little variation being noticeable during the year. The value of this product has now reached the very considerable sum of £526,952.

Butter.—Generally speaking, satisfaction has been expressed with the butter placed on the London market during the year, with the one exception of a tendency to unduly increase the moisture content that has been observed in some factories. The average price realised for New Zealand choicest butter has been higher than any hitherto recorded, being 112s. per hundredweight. It reached a much higher figure than this during a period of excitement the previous year, but the average of that year was 111s. per hundredweight. The butter exported reached the very large value of £1,422,198, an increase of £83,805 compared with the previous year.

In connection with butter, it seems to me that on one point our exporters might take a lesson from Denmark and the Netherlands. These countries export all or practically all their first-grade butter under a National brand, a brand which is a guarantee of a standard quality. Once a purchaser obtains an article which meets his favour, it is the brand he buys. This, of course, is a general trade practice. Every factory in New Zealand at present exports under a separate brand, and, as our butter is widely distributed, a buyer has little opportunity of getting butter from the same factory several years in succession. Therefore our branding system has not the value it should have from the most desirable point of view—that of forming an index to the purchaser. A National brand can, of course, only be of real value when there is uniformity of quality in the article exported bearing the brand.

Cheese has met with a good inquiry throughout the year. Prices were in favour of white kinds during the first six months, but from November to March coloured held pride of place, the closing quotations being 61s. and 64s. per hundredweight respectively. The export increased by 27,412 cwt., valued at £73,138, compared with the previous year, and the total value of the cheese exported amounted to £865,456. The improvement in quality and flavour over the output for the previous year was very noticeable, and was to a large extent due to the higher range of temperature maintained in the cheese-chambers on board the ships during the voyage, which is found to assist the curing process materially.

Hemp.—New Zealand hemp has had to face a falling market practically throughout the whole year. Opening at £25 10s. and £23 10s. respectively for Good Fair and Fair grades, the close of the year saw the price down to £23 and £21 respectively, at which figures very few mills can be run at a profit. The export was only valued at £310,364, which is £376,233 less than the value of the exports during the previous year. The depression is chiefly due to the exceptionally heavy output of manila fibre.

Tow.—The export of tow has fallen away in sympathy with the decreased output of hemp. The market value has also dropped. The export shows a decrease of 2,353 tons, and is £32,625 less in value than that of the previous year.

Potatoes.—The export of potatoes was very small, but was 133 tons more than the previous year, and £670 more in value.

Chaff, Hay, and Straw show a large increase, being no less than 13,096 tons and £65,683 in value in excess of the previous year's figures.

Fish and Oysters.—The export of these commodities is steadily increasing, and they find a ready market in Australia, notwithstanding the duty. 2,368 pounds' worth in excess of last year's figures were dealt with.

Timber.—80,795,532 sup. ft. of timber left New Zealand during the year. With the exception of small quantities to the various Pacific islands, and about 3,000,000 sup. ft. to Great Britain, practically the whole export went to the various Australian Colonies, where, despite competition from Asiatic and American lumber, our produce holds a steady market.

Kauri-gum.—Exports show a decrease of 580 tons and £66,664 in value compared with the previous year. The market has been quiet, opening with 160s. for ordinary to fair three-quarters scraped, and 47s. 6d. for brown pickings, common to good, in April, 1908, and closing at 165s. and 55s. respectively in March, 1909, for the same qualities.

Gold.—The export of gold shows a decrease of 34,649 oz.

Silver.—The export of silver shows a steady increase for the year, the value in excess of the previous year being £24,442.

Coal.—The export of coal shows a small decrease for the year. The quantity mined was somewhat smaller than last year, and the local demand did not leave much surplus available for export.

Mineral.—The quantities of other minerals generally show small decreases on the last year's figures.

Wheat.—A very small quantity of wheat was exported. It was, however, valued at £231 above the previous year's figures.

Oats were in good supply, and met a firm demand in New South Wales; consequently, the export figures show a large increase on the previous year's—viz., 1,063,702 bushels, and £123,012 in value.

Barley, Beans, Peas, Bran and Pollard, Grass and Clover Seeds, Flour.—Generally speaking, the export of these commodities has been less than in the previous year, with values correspondingly lower.

Hops.—The quantity exported was 1,561 cwt. less than during the previous year, and the value also shows a decrease of £5,858.

EXPORT OF MINERAL ORES, ETC.

Under this heading the total export for the year ending 31st March, 1909, was 1,691 tons, valued at £10,251. The following particulars in respect to the prices obtained in London markets for wolfram, scheelite, and antimony ore are supplied to the Department by Messrs. G. Blackwell Sons, and Co. (Limited), London, and no doubt are of interest to those engaged in this industry :—

Date.	Scheelite.	Wolfram.	Antimony.
1908.			
February ..	28s. per unit	30s. per unit, No. 1 grade ..	..
March ..	28s. „ .. ..	..	..
April ..	25s. to 30s. per unit of tungstic acid	..	..
May ..	26s. to 28s. per unit ..	28s. to 30s. per unit ..	£7 per ton, 50% minimum.
July ..	17s. per unit	19s. per unit	£7 to £7 10s. per ton for 50% ore.
August ..	18s. „	20s. per unit, for 68 to 70%	£7 to £7 10s. per ton for 50% ore.
September	25s. „	27s. per unit	£8 to £9 for 50% ore.
October ..	30s. „	32s. „ .. ..	..
November	29s. „	32s. „ .. ..	..
December	29s. „ of tungstic acid	32s. „ of tungstic acid	..
1909.			
January ..	28s. to 29s. per unit ..	30s. to 31s. per unit ..	£8 to £9 for 50% ore.
February ..	24s. to 27s. „ ..	28s. to 30s. „ ..	£7 10s. to £8 for 50% ore.
March ..	24s. to 27s. „ ..	27s. to 29s. „ ..	£7 to £7 10s. for 50% ore.

EXHIBITIONS OF NEW ZEALAND PRODUCTS, ETC.

Full particulars of the various exhibitions at which the Dominion has been represented during the year will be found below. The labour in organization and management has been quite a tax on the High Commissioner's staff, as well as on the staff of this Department in New Zealand. These exhibitions are the means of bringing vividly before the notice of multitudes of people the unique resources of the Dominion both from the agricultural and from the manufacturing point of view, as well as of drawing attention in a most effective and striking way to the suitability of the country to the needs of the settler, the health-seeker, the tourist, and sportsman. It must be conceded that such unrivalled opportunities for advertising the Dominion are well worth all the effort and money spent thereon.

CRYSTAL PALACE.

The permanent court at the Crystal Palace which is devoted to the display of New Zealand productions received a valuable addition by the transfer of many attractive exhibits from the Dominion Pavilion at the Franco-British Exhibition, subsequent to the latter closing. Those portions of this permanent exhibit which are subject to deterioration and loss of freshness are renewed as required.

FRANCO-BRITISH EXHIBITION.

This great Exhibition opened on the 14th May, 1908, and closed on the 31st October, 1908, and it is estimated that during that time upwards of 10,000,000 passed through the turnstiles, while the estimated number of visitors to the New Zealand Pavilion was over 5,000,000. As stated in my last annual report, the Government decided to exhibit, and floor-space to the extent of 6,000 sq. ft. was engaged, on which a pavilion was erected for the reception of exhibits forwarded from the Dominion. Great care was exercised in the selection of these, and a fine display of New Zealand's principal products and manufactures was the result. New Zealand visitors to the pavilion have numbered about 3,000, some 2,000 of whom registered their names in the visitors' book. The quantity of literature that was distributed was large, and consisted for the most part of handy illustrated pamphlets, Year-books, illustrated papers, handbooks, guide-books, and maps. It is worth noting that a great many applications were received from schoolmasters for parcels of literature for distribution to their scholars.

The chief fault found with the New Zealand Pavilion was that its relatively small size proved insufficient to permit the multitude of visitors who constantly thronged its courts and aisles to view satisfactorily the exhibits contained therein; but, although there was fair ground for this complaint, there is no doubt that the Dominion received quite as much if not greater value for the money expended on her display than any other colony represented at the Exhibition. This very satisfactory result must be largely credited to the excellent position secured by the High Commissioner for the erection of the pavilion, which was only obtained after considerable discussion and frequent interviews with the Exhibition authorities.

The Press was particularly complimentary to our exhibits, and I quote one extract as an example of what an excellent advertisement the exhibition proved for the Dominion. (*London Post*, 12th June):—

“Colonial Avenue, one of the main thoroughfares of the Franco-British Exhibition, can boast no more important pavilion than that which is devoted to a display of the part which New Zealand is taking in Imperial progress. This prosperous colony has sent a very fine collection of exhibits to the ‘White City,’ and they are arranged in a manner which enables the visitor to form a very good idea of what the country can do. The object which the Government of New Zealand had in view in renting, at no small cost, a portion of the ground in the Exhibition and in erecting a hall was twofold. First it was desired to show the people of England that on the other side of the world is a country which is sending us big supplies of the very best of food at reasonable prices, and is capable of sending us much

more if the commercial bond of Empire is ever made ; secondly, it was desired to attract to the colony agricultural people from the Motherland. Both objects are admirably fulfilled. The ordinary visitor to the Exhibition with no direct knowledge of Empire sees New Zealand lamb and other results of New Zealand's industries ; the prospective emigrant is given all information in the course of a conversation with an expert, and is sent away laden with literature. The farmer who finds the "Old Country" fail him cannot do better than to pay a visit to the hall in which New Zealand displays her prosperity and her possibilities."

IMPERIAL INTERNATIONAL EXHIBITION.

Before the Franco-British Exhibition closed it was announced that the grounds and buildings would be reopened the following year with another exhibition on the same scale. The Government was again invited to participate, and Cabinet decided that New Zealand would be represented at this Exhibition, which is known as the Imperial International. Arrangements were made to occupy the same pavilion in which the New Zealand Court was housed last year, comprising some 6,000 ft. space and some further spaces attached to the same building. The special feature of this Exhibition will consist in the display of the most distinctive and unique products and manufactures in which foreign countries, their colonies and dependencies, and the British Empire respectively excel ; and, Canada and the Australian States having decided not to be represented, it was considered that the New Zealand Pavilion would thereby receive greater prominence.

In addition to the exhibits that were secured from the Franco-British, a very large and varied collection of exhibits have been collected in the Dominion and shipped to London for this exhibition.

Leading producers, merchants, and manufacturers in New Zealand were approached by this Department, and the efforts put forth resulted in very satisfactory exhibits being shipped to London by the s.s. "Athenic," "Kumara," "Corinthic," "Kia Ora," "Paparua," and "Tokomaru."

The consignments forwarded were made up as follows :—

Collected by		
Department of Agriculture .. ..	.. ..	Grain, oats, peas, beans, oat-sheaves, apples, honey, preserved fruits, potatoes, hemp, tow, butter, cheese, poultry, wine, frozen rabbits and hares, wool fleeces, vegetables, and literature.
Mines Department .. ..	.. ..	Minerals, ores, and coal from the State mines.
Public Works Department .. ..	.. ..	Comprehensive exhibit of New Zealand timbers.
Department of Tourist and Health Resorts ..	.. ..	Maori carvings, sporting trophies, kauri-gum, mineral waters and mineral mud, agricultural photographs and literature.
Department of Industries and Commerce ..	.. ..	Hops, literature, photographs.

Private exhibits which were shipped and handled by this Department consisted of the following :—

Consignors.	Exhibit.
Wanganui Meat Company (Limited), (Wanganui)	Tinned meats.
Gisborne Sheep-farmers Meat Company (Limited), (Gisborne)	"
Gear Meat Company (Limited), (Wellington)	"
Hayward, H. J. (Dannevirke)	Inlaid tables.
Colonial Sugar Company (Limited), (Auckland)	Sugar.
S. Kirkpatrick and Co. (Limited), (Nelson)	Jams, preserved fruits.
Mosgiel Woollen Company (Limited), (Mosgiel)	Rugs.
Donaghy's Rope Company (Limited), (Dunedin)	Rope and twine.
Maddren and Co. (Christchurch)	Rope.
Donne, T. E.	Deer-heads.
Trapnell and Co. (Brightwater)	Flour.
Timaru Milling Company (Limited), (Timaru)	Flour.
Dalgety and Co. (Limited), (Dunedin)	Wool fleeces.

DARLINGTON GRAIN-SHOW, YORKSHIRE, ENGLAND.

During the year opportunity was taken by the High Commissioner to make suitable displays of the Dominion's products at minor exhibitions held in the United Kingdom.

At the annual show promoted by the Chamber of Agriculture, Darlington, Yorkshire, an exhibit of New Zealand wheat, oats, barley, peas, beans, and various seeds, also photographs of agricultural life in the Dominion, were made, and suitable literature was also provided for distribution.

The show was well attended by agriculturists and others, and the New Zealand exhibit attracted a great deal of attention, and numerous inquiries from farmers were also received.

The following is an extract from the *Darlington Times* of the 6th March, 1909 :—

"The interest of the show was considerably enhanced by an exhibition of colonial grain and other products. A stand which attracted much attention was that of New Zealand, on which were very fine samples of wheat, oats, barley, peas, beans, and various seeds grown in that colony. There were also interesting photographs of scenes in agricultural life."

ANNUAL COLONIAL FRUIT-SHOW OF THE ROYAL HORTICULTURAL SOCIETY.

This show was held in London on the 11th and 12th June, 1908, and a splendid lot of New Zealand apples and pears was shown. The Government Pomologist, referring to this exhibit prior to its leaving the Dominion, said, "In quality you cannot beat it in any part of the world. We have had a dry season,

and the fruit on the whole is not so large as in a season with an abundant rainfall ; but my anticipations have been exceeded in regard to this collection, and the growers have helped me most generously."

An exhibit of bottled fruit was also sent, and sixty-eight bottles of honey prepared by the Government Apiarist. There were numerous varieties of the latter, and the whole was shown in handsome glass-stoppered bottles, and got up in a very attractive manner.

The apples and pears exhibited by the New Zealand Government were awarded a gold medal, the highest award obtainable at the show. The other New Zealand exhibitors to obtain awards were Mr. Blakeway, Christchurch, Silver Banksian Medal, for his exhibit of apples ; and Messrs. Clarke Bros., Whangarei, Silver Knightian Medal, for their exhibit of preserved fruits.

ROYAL HORTICULTURAL SOCIETY'S SHOW FOR HOME AND COLONIAL FRUIT.

This show was held during the last week in November, 1908, and a very creditable exhibit of New Zealand fruits was made. The apples which were received from the Department of Agriculture, and shown at the Horticultural Society's June function and then at the Franco-British Exhibition, were again made use of, having of course during this period of six months been kept in cold-store. This exhibit was again successful, and secured a silver medal. The exhibit was especially interesting as showing the condition in which New Zealand apples could be placed on the Home market nine months after being gathered in New Zealand.

NEW ZEALAND GOVERNMENT AGENTS IN AUSTRALIA.

In conjunction with their duties as Government Agents of the Department of Tourist and Health Resorts, the officers in charge of the Sydney and Melbourne branches have answered or forwarded to Head Office for action many inquiries relating to the industries and commerce of the Dominion. The Sydney Agent in his report states,—

The year just closed marks the third year of the agency's establishment, and to-day its presence is widely known and appreciated. It has been instrumental in facilitating trade relations and protecting the Dominion's commerce, and in many ways proving a direct boon to mercantile houses. Not a day passes without some inquiries being made regarding Customs tariff, &c., whilst the display of New Zealand products has proved an effective advertisement. During the year several instances of unscrupulous trading were investigated, and each investigation was attended with satisfactory results. In one case a George Street tradesman exposed for sale parcels of goods said to be of New Zealand origin. These mainly comprised alleged flannel goods, and were ticketed as of New Zealand production. Close examination showed conclusively that these articles were "shoddy," and several experts to whom the goods were submitted pronounced them as being all cotton. Upon representation being made, the shopkeeper, somewhat alarmed, immediately withdrew the misleading card, and accepted a caution regarding any further display on similar lines.

Special attention has been paid to the exhibits displayed at the agency, and the grain-samples, woollen goods, timbers, &c., attract considerable attention. Their presence adds materially to the appearance of the office, and the fine samples of rugs shown by the Kaiapoi and Mosgiel companies bring in a lot of visitors. The excellent market reports shown each mail in the weekly newspapers are also keenly appreciated, and prove of great assistance.

Market for New Zealand Fish.—Sydney offers a splendid market for the sale of New Zealand fish, and the current prices admit of an ample margin of profit. At present fish-supplies are somewhat erratic, and do not satisfy the demand, whilst it has been successfully demonstrated that fish from the Dominion can be landed in a good state of preservation, and sold at a figure satisfactory alike to the public and retailer. Recently a Wellington fish-merchant, with a view of testing the market, brought across a consignment of 300 cases, and disposed of the lot at the public fish-market. This, however, does not really test the possibilities, for the simple reason that the auctioneering of fish takes place at too early an hour for the housewife to make her purchases, and the sale is therefore confined to middlemen. What is really required is for some interested persons to secure a shop and depot in a principal thoroughfare, and sell direct to the public. The duty on fish is 1d. per pound, freight ½d., and another ½d. is estimated to cover incidental charges. Recent advices point to the fact that several New Zealand firms are making inquiries with a view to participating in the trade.

The Melbourne Agent reports,—

During the year trade concerns of every description have been carefully watched, with the hope of seeing if openings could be made for New Zealand's raw products and goods ; but the avenues presented have unfortunately been very limited, owing to the tariff barrier. The tariff restrictions are accentuated by the Dominion's commodities having to compete against unequal conditions. The preference granted to the Mother-country is not conceded to our articles of export, thus placing us in line with foreign competitors. An instance : A prominent Melbourne retail house handling New Zealand rugs informs me that, though they stock a few, they do not push them, as it does not pay to do so. These rugs cost 50 per cent. to land, and, being of high-grade and expensive goods in the first place, the addition of such importation charges places them beyond the reach of the majority of people. The manager of the house referred to tells me that, when recently taking stock he noticed they were carrying only twenty New Zealand rugs as against a thousand imported from Great Britain. The reputation of the former, however, is such that a few are stocked, as some customers cannot, even with the greatest persuasion, be induced to purchase any others. Further restrictions exist in regard to the more successful sale of this article, caused by the number of hands through which it has to pass before reaching the consumer ; the remedy for this appears to lie in the hands of the New Zealand manufacturers themselves.

During the year a display of woollen goods from the Kaiapoi, Mosgiel, and Wellington Woollen-mills has been made an additional feature of our main office, and numerous inquiries as to where the goods are procurable locally have resulted. These and other inquiries of a like nature have more than ever convinced me that it is advisable for New Zealand manufacturers to appoint a central agent in this city, where our manufactures would be readily obtainable at all times; or, at any rate, where goods might be ordered from sample, as, owing to the variety of the requirements of would-be customers, it is often impossible for us to give the necessary information. In this connection the Denton Hat-mills have opened up an agency in Dunedin for their goods, and through our instrumentality they have arranged with a firm to ship them New Zealand rabbit-skins for use in the manufacture of their goods.

There has been an improvement in the quantity and value of Dominion products coming into Victoria—noticeably in the following commodities: Hemp, fish, coal, tinned meat, skins, hides, wool, and timber. Since the introduction of the new tariff in New Zealand, and the removal of duties on foodstuffs, there has been an appreciable expansion in the export from Victoria of dried fruits, grapes, raisins, currants, sugar, tea, &c.

Timber.—There is an increasing demand here for rimu, which is being substituted for kauri in a number of trades. Were the shipments more carefully supervised and selected there would be a still larger consumption; but complaints are made to me by local users that consignments of both rimu and beech (or birch) are very uneven in quality—which means that, although rimu in the rough is far cheaper than kauri, still, owing to the excessive amount of waste entailed in its use, and the unseasoned condition of a good deal of it, in the long-run it comes out dearer. This seems a great pity in view of the enormous amount of rimu available and the ever-growing scarcity of kauri. My informants are the leading houses in the picture-framing and ornamental-furniture business, who also inform me that a serious competitor exists in the shape of Pacific oak (imported from Siberia), which can be landed here, carefully cut to required sizes, at £1 5s., as against £1 13s. for American oak and 15s. for rimu, allowing for a fair margin in favour of the latter if it were more carefully selected and cut to required lengths.

During the past year I have submitted reports and suggestions which I thought might extend our commercial relations with countries other than the Commonwealth, instances are,—*Auckland granite*, quoted as being suitable for the English trade by the *Stone Trades Journal*, London. *Sulphur*, for all commercial purposes, for which an almost inexhaustible market exists in Calcutta, as it is used in all the textile-factories of British India. *Tinned meats*, specially killed and prepared under caste laws for consumption by Mohammedans. There appears to be no adequate reason, seeing that New Zealand puts up “kosher meats” in tins, why this avenue of trade should not be availed of; more particularly considering the great number of Afghans and others professing the Mohammedan faith in Western Australia, British India, South Africa, the Straits Settlements, and the East generally. *Silk-worm-culture*: I have submitted inquiries as to the suitability of the North Island for this branch of the viticultural industry, and hope that it may prove a good side line for vineyardists. These inquiries came from two different sources in the north of Italy.

APPENDIX II.

REPORT OF PRODUCE COMMISSIONER, LONDON.

SIR,—

19th April, 1909.

I have the honour to submit the annual report on the work done by me as Produce Commissioner in connection with the produce trade of the Dominion during the past twelve months:—

The cablegram which is despatched each week to Wellington has grown in length and importance. Instead of being, as formerly, short, and containing possibly rather meagre details, it is now, when decoded and extended at Wellington for publication in the newspapers, a somewhat full report concerning the markets in this country for the chief lines of New Zealand exports.

As usual, there have been many visitors from the Dominion who have gladly availed themselves of the details concerning the distribution of New Zealand produce in this country that they have been able to obtain from this Department, and many expressions of satisfaction with the assistance afforded them have been received.

I had the honour during the year of being asked to give evidence before the departmental committee that was appointed by the Board of Trade to inquire into the general supply and distribution of meat in the United Kingdom, and accordingly attended at the Board of Trade offices and afforded the desired particulars.

A permanent representative of the Board of Trade was appointed this year by the British Government to proceed to New Zealand in order to get into touch with trade there and to report directly to the Board on all matters that may be of interest to them. The gentleman appointed to the position was Mr. F. J. Rolleston, to whom, prior to his departure for Wellington, I was able to afford considerable assistance which would prove of advantage in his mission, by introducing him to many of the leading merchants and others interested in New Zealand trade.

An attempt was made during the year to form a Colonial Dairy-produce Committee, for the purpose of promoting the better distribution and handling of colonial dairy-produce on the markets of Great Britain. Unfortunately, owing to the various trade interests involved, this endeavour, which was in accordance with a desire of dairy factory companies in New Zealand, was unsuccessful.

BUTTER.

Compared with any previous official year the price realised on an average for New Zealand choicest butter during the past twelve months has been higher than any hitherto recorded—it has been 112s. per hundredweight. For the previous twelve months, during which, for a time, as may be recollected, exceptionally high values were secured, the average was only 111s. While this satisfactory result has been obtained, I regret to note that there has not been such keenness in buying and freedom in handling New Zealand butter as in recent years. This, I am certain, has been largely owing to the increase in moisture which has been found in it. Concerning this increase a feeling of doubt has existed in the minds of the distributors and retailers, and serious complaints have reached me from traders handling the butter regarding it. Instead of getting closer in price to Danish butter, as had been hoped, New Zealand butter would appear to have been forced downwards in value. The difference in price between Danish and New Zealand butter is now greater than it has been for some length of time. It has recently been widening, until at the close of the twelvemonth there has been a difference of 12s. per hundredweight, whereas in the earlier part of the season 3s. to 4s. only separated them. In former years New Zealand butter frequently equalled Danish in price, or was within 2s. per hundredweight of it.

Generally speaking, except on the score of moisture, satisfaction has been expressed with the quality of New Zealand butter coming forward this season. There have, however, been one or two instances in which my attention has been drawn to faults. Short weight has been reported to me, and fishiness has been complained of.

The reports sent to Wellington have given information concerning individual shipments of butter.

CHEESE.

The market for New Zealand cheese has, as in the previous year, been highly satisfactory, the average price of 60s. per hundredweight having been obtained for the shipments. Buyers, while never showing any keenness to lay in stocks, have taken such supplies as they found necessary for their immediate requirements, and, as holders have been firm, have paid full value for them. Coloured cheese has been in short supply, and consequently for this a premium has been paid. New Zealand cheese has been giving satisfaction to those cutting it, and everywhere the opinion is expressed that the shipments recently coming to hand have shown a marked improvement on those of previous years. I am satisfied that this improvement in quality is largely due to the higher range of temperatures which have been maintained in the cheese-chambers on board ship during the voyage this season. As might be expected, a slight increase in the loss of weight in the cheese has been found, owing, undoubtedly, I consider, to the process of curing at the higher temperatures while in transit. The advantage gained from having cheese landed as has been done this season is, I consider, very great. Buyers bid for it more freely, so securing better prices with a readier sale, and each shipment is consequently more easily cleared up. The reputation of the New Zealand article is increased, and altogether the slight loss in weight that may occur is more than compensated for by the benefits derived.

MUTTON.

Supplies lately arriving have been much in excess of requirements, and consequently stocks of mutton have been accumulating in the cold-air stores. The outlook is not at all promising, as there is little prospect of an advance in prices being obtained for some considerable time.

There is no development in the distribution of New Zealand mutton throughout the country to record this year. Trade has continued steadily in the same channels as during previous years.

LAMB.

The consumption of New Zealand lamb has been good, and its reputation has been maintained. As with mutton, so with lamb, little has been done to specialise it in the Home markets. The reputation of "Canterbury" lamb is well known; but, unfortunately, this term is now generally applied in the trade to all frozen meat, no matter where from.

BEEF.

There is little to be said concerning the market for New Zealand beef during the past year. Prices have been fairly steady, but not high. The trade is, of course, small, although there has been an increase in shipments. No complaints have been received concerning the quality of the beef, which has generally given satisfaction to buyers.

HEMP.

Another year of very unsatisfactory trade on the hemp-market has to be recorded. The continued heavy shipments from Manila are undoubtedly the main cause of this.

WOOL.

It is pleasing to note, in contrast to the declining markets above referred to, that the price of New Zealand wool has been steadily advancing with each sale. As indicated in the cablegrams that have been so frequently despatched from this office, prices generally have been firmer, and the demand satisfactory. The Americans have been keen competitors for all suitable lots offered for their requirements. Indications point to a continuance of satisfactory business being done by manufacturers and of a good demand at payable prices.

EXHIBITIONS.

During the year opportunity was found for special advertisement by taking part in two of the several fruit-shows organized by the Royal Horticultural Society. At the first, held in June, exhibits of apples—both cooking and dessert—and pears, together with bottled fruit, were made; while at the second, held in December, exhibits of apples, bottled fruits, jams, and honey were shown.

On both occasions the displays made on behalf of the Dominion were excellent, and were favourably commented upon by all who saw them. Gold, silver, and bronze medals were awarded to the exhibits. Full reports regarding these shows were forwarded to the Department at Wellington.

PUBLICATIONS.

A regular supply of both the *New Zealand Farmer* and *Dairyman* has been received from Wellington during the year, and these have been widely circulated—the former amongst public reading-rooms in country districts, and the latter amongst grocers' and other associations connected with the dairy-produce trade.

A large amount of literature dealing with the frozen-meat industry has also been distributed during the year.

I have, &c.,

H. C. CAMERON,

Produce Commissioner.

The High Commissioner for New Zealand, London.

APPENDIX III.

PRÉCIS OF REPORT ON KAURI-GUM DATED 17TH NOVEMBER, 1908.

1. DURING my visit to the fields I interviewed the majority of the wholesale gum-buyers, exporters, and various brokers in Auckland, the storekeepers on the fields, the executive members of the Auckland Gum-diggers' Union of Workers, and several of its branches, and, in short, every one I thought could throw any light on the industry.

2. *Number of Men employed in the Industry.*—Approximately about five thousand legitimate diggers, including Austrians. By "legitimate diggers" is meant those whose living is made exclusively by digging. There are also about three or four thousand casual diggers.

The Average Quantity of Gum obtained and put on the Market per Month.—Taking last return—that for September, 1908—555 tons was produced and marketed. This is the lowest return for ten years for September month, except in 1901, when the quantity was 498 tons. There is a general falling-off compared with last year of 25 to 30 per cent.; compared with ten years ago, about 40 per cent. This year the average monthly production has been 495 tons.

3. *Prices paid to the Diggers for the Different Qualities of Gum.*—According to a report supplied to me by Mr. Samuel Stafford, secretary of the Waipu Branch of the Auckland Gum-diggers' Industrial Union of Workers, the prices received by the diggers for the different qualities of gum are as follows:—

At Waipu, Ruakaka, and vicinity,—

	Per Cwt.	
	s.	s.
Superior ordinary, termed "three-quarters scraped"	90	112
Fair ordinary	50	60
Washed nuts	35	40
Chips and dust	12	14
Three-quarters scraped, termed "steel"	70	85
Ordinary to fair, half-scraped	40	50
Poor ordinary, rough sorts	25	35
Sugary sorts	15	20
Chips and dust	6	12
Washed nuts, swampy white and black		10

NOTE.—Sometimes the diggers resrape and class the "superior ordinary" mentioned above, the new grade being valued at from 120s. to 200s. per hundredweight according to the degree of cleaning and quality. The paleness and clearness of the gum and the quantity in the sample fix its price.

Mr. R. Helden, secretary of the Waihopo Branch of the same union, also supplied the following prices of gums dug in Waihopo, together with samples of the various gums referred to :—

	Per Cwt.
Best black gum	100
Good black gum	86
Ordinary black gum	36
Nuts	16
Mixed chips	10
Chalk gum	10

4. *The Number of Firms in Auckland and Elsewhere in New Zealand handling Gum.*—It is difficult to say what the precise number is, but I should say fifty.

5. *The Quantities of Kauri-gum sent to England, the United States, and other Countries.*—The largest export to Europe was in 1899, when the quantity totalled 5,347 tons. Last year the export was only 2,925 tons. This year, up to time of exporting, has shown a decrease of about 290 tons as compared with last year. Following are the figures for last five years :—

	Tons.
1903	4,118
1904	3,542
1905	4,377
1906	3,988
1907	2,925

Last year 5,372 tons was exported to the United States of America. This year shows a remarkable falling-off : decrease, 2,500 tons, which represents the enormous decrease of 50 per cent. The exports for the last five years are as follows :—

	Tons.
1903	5,257
1904	5,127
1905	5,743
1906	4,711
1907	5,372

A considerable quantity is exported to Germany, other countries in order of magnitude being Canada, France, Austria, and Holland. Small quantities are also exported to the Commonwealth and the Fiji Islands.

6. *Total Quantity of Gum exported per Annum.*—About 9,000 tons. Of this, 8,250 tons, approximately, is exported to Europe and the United States of America.

7. *Approximate Value of Gum exported from New Zealand per Annum.*—Reckoning the value of gum at from £55 to £60 per ton, a fair estimate would be about £475,000 per annum.

3. *Who are the Immediate Buyers of Gum from the Diggers.*—Generally the storekeepers in the vicinity of the gumfields. Diggers say they must sell in this market, as they get lower prices in Auckland than on the fields. The suggestion is that there is a ring or understanding between merchants and storekeepers to force diggers to sell to the latter.

9. *By what Channel is Gum exported.*—Usually to London direct, and thence to New York, Germany, or Austria ; occasionally to the two latter countries *via* Sydney.

Export Duty on Unsorted Gums.—In the event of Government not seeing its way to establish standard grades, exporters and sorters think all unsorted grades should pay export duty, and I recommend the imposition of a duty of, say, up to £10 per ton on all unsorted gum over £40 per ton in value.

Information asked for by Storekeepers and Diggers on the Commercial Aspect of the Gum Industry.—Certain questions were put as to the actual consumers of kauri-gum in Great Britain, the United States, and Canada, and also as to the uses to which the gum is put in these countries. I was not in a position to answer these questions, as, to do so, one should have travelled through these countries to gather the necessary information on the spot. On pointing out to the diggers that the obtaining of this information would involve a large outlay on the Department's part in connection with the salary and travelling-expenses of such a representative, the diggers stated they were quite agreeable to pay an export duty of £1 per ton on all gum exported ; and, as the yearly export exceeded some 8,000 tons, the revenue therefrom should not only provide for the expenses of such a representative, but should be more than ample to pay for a grading staff.

Cost of Necessaries of Life at the Fields.—Considering cost of transit, &c., the cost of groceries, &c., may be regarded as fair.

Grading, and Appointment of Gum-graders.—I consider that the most important point in connection with the industry is the want of uniform grading. The lack of such a system is responsible for the multiplicity and the fluctuation of prices, the dissatisfaction and uncertainty among British and American buyers, and also the weakening of the average price of samples of New Zealand gum. The adoption of a system of compulsory grading of all gum before it leaves the Dominion would be the remedy for most of the evils at present attaching to the industry. The Auckland merchants have strong objections to grading, but, nevertheless, a standard system would place the industry on a sound business footing, bringing it up to the level of other graded products such as flax, butter, &c. I emphasize most strongly that compulsory grading is absolutely vital to the industry : the Government should standardise the industry by standardising the gum.

The storekeepers, diggers, and sorters are all in favour of Government grading under conditions somewhat similar to those under which butter is graded. I recommend that the Government employ a grader in Auckland to inspect the gum before shipment, and also that a grader be stationed in London, whose duty it would be to see that nothing but pure kauri-gum was sold at the auctions as kauri-gum. There should be a grader in New York also.

Gum-bearing Swamp Lands.—I made careful and exhaustive inquiries into the matter of gum lands belonging to the Government, and have no hesitation in recommending the Government to drain them, as I think the experiment would pay handsomely. Private swamp-owners have received as much as £40 per acre for the right to dig in their swamps, the diggers undertaking to thoroughly drain and leave them fit for cultivation.

The Executive of the Gum-diggers' Union suggested that after Government had drained swamps it should sell digging rights to diggers in acre sections, or have them balloted for. To my mind this proposal is impracticable, as one man could not work an acre in such manner as to leave it in a satisfactory condition. Considering all the circumstances, I think the Government should undertake the draining of swamps, and when drained these should be cut up and balloted for by parties of legitimate diggers. In the event of the Government undertaking the draining and allowing the lands to go to ballot, diggers are prepared to pay fair prices for rights to work sections, either in the form of export tax, increased license fee per annum, or a royalty on gum procured from the land.

Ross-Trevor's Process of extracting Valuable Products from Kauri-swamp Peat.—Mr. Ross-Trevor, of Auckland, chemist, claims to have discovered a process for extracting valuable products from kauri-swamp peats. I think the Government might with advantage detail a competent expert to investigate this matter.

J. GRAHAM GOW.

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