

If a market for New Zealand goods can be established in Java the Union Steamship Company will arrange to supplement the proposed service by providing for shipments of goods via Sydney to alternate with the sailings of the direct vessel. A distinct advantage of the service is that it has not involved any interference with the existing preferential duties which was a condition precedent to the instituting of a direct line to New Zealand by the Royal Dutch Navigation Company.

Immediately the announcement was made that the Union Company would provide a direct service, the Department was asked for information as to the appointment of suitable agents to represent New Zealand interests in Java, and this information was as far as possible supplied. Every endeavour is now being made to secure business, but the Department is mindful of the difficulties ahead, and is of the opinion that it will take months of effort to secure a footing, and is further of the opinion that the best and most effective means of securing trade is for New Zealand houses to send expert commercial representatives to the East, with samples if possible, so that conditions may be studied on the spot. Several large New Zealand firms have already taken this step, and, although the reports received are not encouraging so far as Java is concerned, some measure of success has been met with in countries further afield, notably, Philippine Islands and China.

The fear is everywhere expressed that everything will be done to discourage the special service inaugurated, and competitors will offer specially low freight rates. New Zealand traders, however, are doing all they can to foster the trade, and are making prices to Javan merchants as attractive as possible.

Joint meetings of Chambers of Commerce and manufacturers' associations have been held, and the resolutions passed strongly favour the sending of a mission to the Netherland East Indies, consisting of at least three business men, the expenses to be borne proportionately by the industries represented and the Government. Negotiations to this end are now pending.

The subject of trade with the Pacific islands, Samoa, Fiji, Cook Islands, Tahiti, and Hawaii, continues to have the close attention of the Department. In Samoa New Zealand holds second place in the value of exports, and an analysis of the statistics shows that there is further scope for New Zealand to secure some of the trade that is now going to Australia. This contention is supported by the fact that in 1923 the Administration of Samoa purchased 60 per cent. of its total requirements in New Zealand. If this average had applied right through to buyers in Samoa, New Zealand would have supplied about £160,000 worth of goods instead of £78,000 worth. These facts have been brought under the notice of traders by the Department, and the point has been stressed that increased attention must be given by exporters to this market in the direction of arranging for regular visits by their representatives.

The latest available trade statistics from Fiji show that in value of imports New Zealand holds third place. Australia continues to be in the first position with a value of trade approximating £420,000 annually (New Zealand £102,000). It is felt that New Zealand's position can be greatly improved if closer attention is given to this market, especially in such commodities as live-stock, bacon and hams, butter, cheese, tinned and preserved meats, tallow, tinned milk-powders, and sugar. Australia handles a greater proportion of the trade in such lines as beer, boots and shoes, bran, pollard, confectionery, rope and cordage, leather, machinery, manures, oils, soap, and woodenware. All these lines, it is considered, can be largely supplied from New Zealand at competitive prices. In flour, coal, iron and steel we cannot hope at present to compete with the Commonwealth, but if manufacturers and traders will fully realize the value of this market, with which we have a regular shipping connection, it is confidently expected that our position can be greatly improved.

The trade outlook with the Cook Group is most promising. The bulk of the import and export trade is done with this Dominion, and with the provision of better shipping services linking up Wellington as well as Auckland, the marketing of tropical fruits is bound to be extended. The equipment of wireless at two of the principal outlying islands will be a boon to island traders, enabling them to have timely notice of the arrival of vessels, and to have cargoes ready for immediate shipment. A more regular supply of island fruits, especially bananas and citrus fruits, will be greatly appreciated by fruit importers and consumers in Wellington and in the South Island. Close co-operation between the Cook Islands Department and this Department has been continued during the year, and due acknowledgment is made to the former Department for its readiness to assist merchants and manufacturers of this Dominion, and in bringing under notice several disabilities suffered by island interests which it has been possible to obviate.

Engendered and encouraged by the excellent shipping facilities provided, the trade with Hawaii continues steady. Our imports, of a value of £5,013, are practically negligible, but our exports in 1923, of a value of £112,352, are worth fostering. For the first four months of the current year satisfactory trade was done, especially in butter, cheese, and frozen meats; all exports aggregated in value £55,355. It was considered that the interests of New Zealand would be greatly benefited by the appointment of a New Zealand Agent. Recently the Hon. Minister of Industries and Commerce approved of the appointment of Mr. H. E. Tennent, who offered to act in an honorary capacity. Mr. Tennent has had considerable experience of island trading, and his knowledge of New Zealand's commerce and industry will no doubt enable him to render valuable work.

Many inquiries have been made from the Department as to the possibility of trade in particular commodities with other countries, notably France, Belgium, South Africa, India, and China; and in order to facilitate our inquiries, and to ensure reliable information being obtained, the appointments of honorary Trade Representatives have been made in India, South Africa, and Belgium. Valuable reports are being received, and information has been disseminated to interested parties in New Zealand.