

It is satisfactory to note that, of the total increase in imports of £3,928,804 for the past year, £2,467,050 may be credited to the United Kingdom.

The banking returns as at the 31st March, 1926, reflect the Dominion's recent adverse trade balance. Compared with the figures of the previous year there has been a marked decline in free or commercial deposits amounting to £2,594,748, and an increase in advances amounting to no less than £4,554,880.

The increase in advances may be considered to reflect the extent to which the banks have, among other commitments, been called upon to finance increased imports, while the amount of deposits is necessarily affected by the reduction in the returns from exports. The figures for the past six years are given hereunder :—

As at 31st March,	Deposits.	Advances.	Excess of	
			Advances	Deposits.
	£	£	£	£
1921	47,155,730	52,446,341	5,290,611	..
1922	40,360,390	46,491,315	6,130,925	..
1923	43,465,816	42,521,573	..	944,243
1924	47,033,293	44,403,524	..	2,629,769
1925	49,897,228	43,730,262	..	6,166,966
1926	47,302,480	48,285,142	982,662	..

In May, 1925, Great Britain, Australia, and New Zealand readopted the gold standard, and so made possible exchange rates which by their comparative stability have eliminated difficulties previously existing. The reduction of the high rates between London and New Zealand has removed the penalty on exports and the bounty on imports which gave rise to much uncertainty and dissatisfaction in 1924 and early 1925.

ISLAND TRADE.

WESTERN SAMOA.

The satisfactory development of Samoan trade during 1924 was again improved on by the figures of 1925. With the exception of the two boom years, 1919 and 1920, the total external trade in 1925 constituted a record.

The imports and exports of our mandated territory during each of the past three years were as follows :—

	Imports.	Exports.
	£	£
1923	268,881	288,774
1924	274,803	361,418
1925	345,989	378,388

Cocoa and copra constitute practically the whole value of the exports, which in 1925 increased as a result of increased tonnage and prices for copra. This was, however, to some extent offset by a substantial fall in the tonnage and value of cocoa-beans exported.

New Zealand took in 1925 an increased proportion of Samoa's exports. The Dominion's share, however, is relatively small, totalling only £11,600, and consisting mainly of cocoa-beans. The United Kingdom, Germany, and other Continental countries are the main buyers of Samoan products.

The value of the imports into Western Samoa from the main countries concerned were, during 1923-25, as under :—

Year.	Australia.	New Zealand.	United Kingdom.	United States of America.	Canada.	Fiji.
	£	£	£	£	£	£
1923	98,301	77,782	19,788	62,717	4,938	2,647
1924	99,448	87,541	25,340	42,582	6,181	7,972
1925	103,748	91,542	63,885	55,767	12,731	9,060

The Dominion has maintained its position as a leading supplier of Samoan requirements, but there is still apparently considerable room for expansion of our trade in this market. We have lost trade in certain commodities, while there are at the same time opportunities for extended business in many lines now supplied by Australia and the United Kingdom. The Department has drawn the attention of trading interests to these matters, and in several instances appreciable progress is being made in improving the sale of New Zealand productions.