

the great depression of the early 1930's, when the commercial economy came largely to a standstill with the closing of most trade stores and the lapsing of much of the plantation activity. Judged by the commercial history of the last three decades, the level of "normalcy" in terms of world market demand and price for the local products is below the present level. A considerable recession may therefore be expected, and it would possibly affect not only the trade position, but also the public revenues and political temper of the Territory.

9. The trends here referred to can be seen by sampling the statistics of external trade and commerce at five year periods, and in the latest year :—

Year.				Value of Exports.	Value of Imports.	Total Trade.
				£	£	£
1919	..	..	..	532,500	291,368	823,868
1924	..	..	..	361,418	274,803	636,221
1929	..	..	..	293,938	288,849	582,787
1934	..	..	..	128,117	92,784	220,901
1939	..	..	..	220,409	194,736	415,145
1944	..	..	..	391,317	460,764	852,081
1946	..	..	..	719,050	478,695	1,197,745

For 1946 the exports were as follows :—

Product.				Quantity.		Value.
						£
Copra	..	..	..	13,795 tons	..	340,669
Desiccated coconut	..	..	..	568 tons	..	50,462
Cocoa-beans	..	..	..	1,885 tons	..	207,109
Bananas	..	..	..	172,823 cases	..	86,421
Dried bananas	..	..	..	46 tons	..	10,118
Rubber	..	..	..	80 tons	..	17,827
Others	..	..	..			6,444

The principal imports are foodstuffs such as flour, biscuits, and sugar, together with drapery and apparel, petroleum products, and hardware.

10. The trade relations of the Territory are diversified internationally. Copra and cocoa-beans are sold in European and American markets for the most part, as New Zealand is not in a position to absorb them in large quantities. Similarly manufactured imports come from the industrialized areas of Europe and North America. It is primarily in these respects that the trade position of the Territory is vulnerable to changing market conditions. At the same time the Territory is relatively stable and increasing trade relations directly with New