

New Caledonia: Capital, Noumea; distance from Auckland, 1,014 miles; area, 7,650 miles²; population, with dependencies, about 70,900 free and 10,500 penal. Imports, 1905, £429,066; exports, 1905, £442,815: the imports include £145,593 of produce from Australia, or one-third of the total imports into New Caledonia, the principal items of which are as follows:—

	£
Flour	22,679
Wheat	15,114
Sugar	11,312
Oats and maize	8,148
Salted and tinned meats	7,152
Fresh and dried vegetables	5,316
Preserved and dried milk	4,761
Cheese	3,954
Fish	3,924
Butter	3,825
Bran and fodder	3,757
Lard	2,998

All these lines New Zealand is able to export to New Caledonia and show a good margin of profit according to prices current at Noumea. The duties are very small and, all things being equal, New Zealand should secure a portion of the trade, particularly as quantities of such lines as hams, bacon, butter, oats, and timber produced in New Zealand are now being shipped through the agency of Australian houses.

There are four lines of steamers trading between Sydney and New Caledonia, and the sailings average about four a month. Produce-brokers, merchants, and other likely shippers have been interviewed by this Department with reference to the support they would accord to a direct service; and I am led to believe that not only would produce-merchants support any subsidised service in the direction of sending commercial travellers to obtain business, but that warehousemen and colonial manufacturers would also be prepared to lay in or manufacture suitable stocks for tropical climates.

The exports from New Caledonia, £442,815, consist principally of—

	£
Minerals—i.e., nickel, cobalt, chrome.. .. .	354,800
Copra	21,789
Coffee-beans, raw	20,010
Indiarubber, raw	7,821
Sandal-wood	3,809
Mother-of-pearl shells	2,778

There is also a large amount of guano shipped.

New Hebrides: Chief town, Port Vila; area, about 3,000 square miles; population, 100,000, mostly Natives, European population estimated at seven to eight hundred. The trade with the islands of the New Hebrides is at present held by Sydney and Noumea, and it is hoped that by touching at this archipelago with direct steamers from New Zealand some of the trade may be secured by the colony. Further than this, the Resident Deputy Commissioner of the New Hebrides wrote the High Commissioner for the Western Pacific asking His Excellency to bring under the notice of the New Zealand Government the advantages that would accrue to the colony in time if a direct service were instituted, either privately or by the Government. The Government of New Caledonia has intimated its intention of giving some assistance should a direct service from New Zealand be established.

The question of providing a direct monthly service between Cook Islands and New Zealand has also been under consideration, but so far the negotiations have not been brought to a successful issue. There have been many requests for direct fruit-boats from Rarotonga owing to the delay in transshipment at Auckland, and the consequent deterioration of the fruit on arrival at Wellington and southern ports. It is estimated that Wellington and the south would take an average of about ten thousand cases of Cook Island fruit monthly, and, these Islands being under the administration of New Zealand, every effort should be made to assist the producers to increase their shipments to payable markets, which are open to receive consignments providing they arrive in good condition.

EXHIBITIONS.

During the year a permanent exhibit has been established at Crystal Palace, London, and exhibits have been shown at the Indian and Colonial Exhibition, London; Colonial Produce Exhibition, Liverpool; and the Royal Horticultural Show, London; details of which are given in subsequent pages of this report. I regard these Exhibitions as cheap and effective means of bringing this country's produce and manufactures under the notice of consumers and traders. The advertisement obtained is not confined to those persons who actually visit the Exhibition; a very much larger number of persons become acquainted with the produce and manufactures through the liberal reports of these exhibits given by the London and provincial newspapers and journals.

The Permanent Court of New Zealand Exhibits at the Crystal Palace consists of—

Dairy Industry Trophy; tinned fish (New Zealand Canning Company); condensed milk (Underwood Milk Company); preserved fruits, jams, honey, vegetables, &c. (Kirkpatrick); tallows, oleo, oil, &c., in jars (Christchurch Meat Company); fleece wool, tops, &c.; woollen goods—rugs, blankets, flannels, &c. (Mosgiel and Petone); grain, peas, beans, seeds; flour, oatmeal, bran, pollard; hops; cordials, mineral waters, &c. (Thomson); hemp; rope, twine, &c. (Donaghy); leather; timber, veneers, fancy door (Auckland Veneer Company); kauri-gum (Mitchelson); gold-export obelisk;