

shoes, rugs, wrapping-paper, cement, timber, paints, confectionery, starch, biscuits, joinery, harness, saddles and saddlery, and heavy knitting-wool.

Australia has a larger share of the soft-goods trade than New Zealand, but as both countries import most of these commodities, and as New Zealand has a direct steamer service, while Australian goods are transhipped at Suva, this state of affairs should not exist, provided New Zealand merchants set themselves deliberately and with determination to capture the trade.

As in Samoa, so in Tonga, the restrictions on British shipping have turned the tide of exports towards America, and some of the import trade which previously came from Great Britain by way of New Zealand and Australia is finding its way into other channels.

If the Tongan trade is to be turned in the direction of the British Empire now is the time for action; delays are dangerous. Improved British shipping facilities are necessary, together with the development of the manufacture of copra products in Great Britain. It would be regrettable if this valuable connection, which has taken years to foster, should be lost. Tonga is a British protectorate, and we are certain that the Government there would be willing to consider favourably any suggestions for a closer trade relationship.

The principal traders, as detailed below, have their headquarters at the ports of entry—Nukualofa, Haapai, and Vavau—and some of them have trading-stations throughout the Group for the purchase of Native products and the sale of goods.

Nukualofa: Burns, Philp, and Co. (Limited), W. Cocker, A. Terry Day, O. B. Krause, Lever Bros. (Limited), L. B. Levin, J. L. Yornton.

Haapai: Batty and Wall, Burns, Philp, and Co. (Limited), S. W. Chatfield, E. George, W. Oswald, Tindall and Ross.

Vavau: Burns, Philp, and Co. (Limited), S. W. Chatfield, R. Fletcher, J. F. Hutchinson, Leander Johnson, A. Knutsen, P. Norger, W. E. Sundin, Tindall and Ross.

We understand that some of the above traders indent goods for customers on a commission basis.

The Deutsche Handels und Plantagen Gesellschaft (or D.H. & P.G.)—placed in liquidation in 1916—which we have more particularly referred to in the Samoan portion of this report, used to operate in the Tongan Group as traders, and had stores in each of the ports of entry. They did both a wholesale and retail trade, and were large buyers of copra. While the firm did not exclusively import German goods, a large proportion of their stocks were of German manufacture. After the lapse of so many years it is unlikely that the firm, even if it restarted its business, would rapidly attain its former size and importance. If the Government could arrange for a better and more frequent direct service between the Group and, say, Samoa, no doubt trade would greatly improve. In all probability this service would not at first pay its way, but it most certainly would in time, especially if copra were lifted for transhipment at Auckland. We are aware that it would be difficult to arrange with a public company for such a service; it is a question for consideration, therefore, whether it would not be advisable for the New Zealand Government to purchase or build a steamer or steamers for the trade when a suitable opportunity offers.

COMPARATIVE STATEMENT OF TOTAL VALUE OF IMPORTS.

Value of Articles imported into the Kingdom.

Port.	1915.	1916.	1917.	1918.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Nukualofa	54,799 15 7	30,554 16 3	68,656 18 4	98,931 1 4
Haapai	22,099 3 8	8,630 1 4	25,437 13 10	37,224 6 1
Vavau	23,176 10 3	9,243 12 2	20,195 11 9	40,996 6 11
Total	100,075 9 6	48,428 9 9	114,920 3 11	177,151 14 4