

overseas. Much of this could be manufactured in New Zealand at competitive prices, to the marked benefit of all concerned. A strong protest was made by the Dunedin Ironmasters' Association regarding tenders proposed to be accepted by the Dunedin City Council for the Waipori pipe-line. It was intended to accept the tender of a Glasgow firm for the whole of this work, but representations from local manufacturers served to show that the pipes could be manufactured in Dunedin itself, with delivery guaranteed within the required period and at an actual saving in cost. As a result of this protest a large part of the order, amounting to £9,310, was placed locally, thus helping to relieve a good deal of unemployment in the industry. The Department instituted inquiries into the whole position, and ascertained from prominent manufacturers that they were having an uphill fight to get their manufactures recognized by the engineers and inspectors employed by local bodies in New Zealand. This is attributed to the fact that many of these experts are trained overseas, and have little knowledge of the extraordinary development that has taken place in New Zealand's secondary industries during recent years, and therefore purchase the products of Home manufacturers. It often happens that the specifications drawn up for supplies practically exclude the local manufacturer from competing. As an instance, considerable variation exists throughout New Zealand in regard to the type of common household tap, and, although Dominion firms have demonstrated over and over again their ability to compete in quality and in price with the imported article, some municipal officers still refuse to accept the local article. It is in work of this kind that the Department intends to co-operate with the manufacturers in securing proper recognition and justice. All local bodies have been written to and have been urged to support local industries, all things being equal, and have been asked to furnish a statement showing to what extent ironwork supplies were purchased through local manufacturers and from outside the Dominion. A large number of replies has been received, which tend to show that wherever possible local bodies have placed orders for local manufactures. It has been made clear that, although local bodies have been desirous of supporting local industries, they are largely in the hands of importers and merchants, who in the majority of cases supply British, or American, or other foreign goods. Reference is made in another part of this report to the proposed issue of a manufacturers' directory. It is considered that the publication of this work will do much to educate the public as to exactly what classes of goods are manufactured in New Zealand. Over three thousand classifications will be shown, together with the names of the principal persons, firms, or companies who are engaged in the production of the respective classes of goods.

OVERSEAS MARKETS.

Considerable interest has been taken by the Chambers of Commerce and the industrial associations of the Dominion in the development of New Zealand's trade overseas, and the Department has obtained a good deal of information regarding these prospective markets, which has been submitted to and discussed by the interests concerned.

The visit made to New Zealand by the Hon. J. Sibinga Mulder, Minister of Agriculture, Industry, and Commerce, Java, followed later by a visit from Mr. P. E. Teppema, Consul-General for the Netherlands for Australia and New Zealand, has resulted in adding greatly to the Dominion's knowledge of the valuable market which the Dutch East Indies offers for New Zealand goods. At present this market is practically neglected by New Zealand traders, but the Commonwealth of Australia has built up a valuable export trade with Java, amounting in value to approximately £3,500,000 per annum; while the import trade from the Dutch East Indies into Australia has reached a total of £8,300,000. The exports from Australia are comprised largely of lines similar to those produced or manufactured in New Zealand. Mr. Teppema stated at Auckland recently that he was confident that the Dominion has a very profitable prospective market in the Dutch East Indies—a market which is almost at our doors; that it was a country ready to open up trade with New Zealand, and that the Dominion was at no disadvantage as compared with Australia in the distance to be covered by sea. It is fully expected that something tangible will be done before long to exploit, to the advantage of this country, the markets in the East which are now available to us. As a preliminary to trade being established, it would appear to be advisable for this Dominion to take advantage of the invitation to make an exhibit at the annual fair held at Buitenzorg, Java, in September of each year. The New Zealand Industrial Corporation is interesting itself in the matter of making such an exhibit, and it is probable that New Zealand will participate in the fair to be held in 1923. New Zealand must sooner or later have direct shipment to a market possessing such possibilities, and it would seem to be a necessary preliminary to opening up trade and shipping negotiations that traders here should adopt the methods taken by Mr. Teppema in New Zealand, and bring their produce and manufactures directly under the notice of merchants and traders in Java. Once our products become known a big trade can reasonably be expected. In Java there is a market for dairy-produce, meat, cattle, honey, flour, marble, coal, and for manufactures such as soap, canned foods, leather, footwear, confectionery, and cement.

The subject of trade with the Pacific islands—Samoa, Fiji, Cook Islands, Tahiti, and Hawaii—has been under consideration during the past year, particular attention being given to the causes that have led to the falling-off of trade between New Zealand and Samoa and Fiji, and to the steps that should be taken to counteract the effects of the direct steamer service recently established between Australia, the islands, and the United Kingdom, which naturally meant a diversion of trade from this Dominion. The Department realized that little could be accomplished in respect to trade without proper shipping facilities. Fast steamers are necessary for the carriage at reasonable freight rates of citrus fruits and bananas from the islands. During the war New Zealand neglected the island markets, because of the demand in New Zealand itself for locally manufactured goods and the high prices and big demand for our food products in the United Kingdom. Now that world prices generally have fallen, steps are being taken to secure again the markets that we lost; and, although the Pacific islands can never offer a large opening either for our food products or for our manufactured goods, the proximity of the islands and the trade to be done certainly warrant New Zealand cultivating and maintaining this trade connection. Good business can be done in canned