

TRADE AGREEMENTS.

The most important trade agreements affecting New Zealand's trade with overseas countries are those made with the United Kingdom at Ottawa in 1932, with Canada in 1932, and with Australia in 1933, which are still operative either by extension or by lack of notice of termination. In 1933 a trade agreement was concluded with the Economic Union of Belgium and Luxembourg, and a modification of this agreement came into force on 1st September, 1936. Under the modification New Zealand receives free entry of sausage-casings, kauri-gum, and casein, while certain goods, such as electrical machinery, tools, &c., are to receive special treatment on entry into New Zealand. This agreement is to remain in force until the expiry of six months notification of revocation of the arrangement.

Other trade arrangements in the nature of an exchange of notes are operative between New Zealand and South Africa, New Zealand and Sweden, New Zealand and Japan, while New Zealand has the benefit of a number of most-favoured-nation treaties concluded by the United Kingdom and certain foreign countries.

Under the terms of the treaty concluded in December, 1936, by Australia with Czechoslovakia apples, provided they are cleared through the Czechoslovakian Customs within three months of picking, are entitled to a reduction of duty from 2½d. per pound to ¾d. per pound. Under most-favoured-nation treatment extended to New Zealand we enjoy the same duty-reduction.

The United States of America has during the last twelve months negotiated a large number of trade agreements, and the policy is adopted by the United States Government of extending the benefits of those reductions in duties made to other countries to all countries which do not discriminate against the United States. Thus New Zealand automatically benefits from the conclusion of such agreements.

During the visit in January, 1937, of the Hon. W. D. Euler, Canadian Minister of Trade and Commerce, the opportunity was taken of having preliminary talks on trade matters affecting New Zealand and Canada.

NEW STEAMSHIP LINES.

DUTCH EAST INDIES AND JAPAN.

There are two direct services between New Zealand and Japan—that of the Yamashita Kisen Kaisha, which commenced in January, 1936, and the Osaka Shosen Kaisha, which since 1930 has operated a service to and from New Zealand via Australian ports. The latter company, inaugurated in May, 1936, a direct monthly service between New Zealand and Japan. For three months during the unfortunate strained relations between Australia and Japan in connection with the Customs tariff the New Zealand service took in Australian ports, but from October last the direct voyages between New Zealand and Japan were resumed.

As the result of the activities of the Department the Royal Packet Navigation Co., Ltd. (K.P.M. Line), decided to inaugurate a direct service between New Zealand and the Netherlands, East Indies, British Malaya, and adjacent territories. Under the title "South Pacific Line" the company provides for monthly sailings with the m.v. "Maetsuycker" and the s.s. "Van Rees," the former of which cleared Wellington on its maiden voyage on the 14th May, 1937. The "Maetsuycker's" schedule is Wellington, Sydney, Port Moresby, Sourabaya, Semarang, Batavia, Singapore, Saigon, Singapore, Batavia, Semarang, Sourabaya, Port Moresby, Samarai, Rabaul, Port Vila, Noumea, Auckland.

The "Maetsuycker" is a new vessel of some 4,000 tons register having provision for fifty-one first-class passengers and ninety-two tons of cool and refrigerated space; while the s.s. "Van Rees" has accommodation for forty-seven first-class passengers, but no refrigerated space.

The introduction of this new direct service to eastern ports should be of material assistance to New Zealand exporters who wish to extend their business with the Netherlands East Indies and Malaya. Also the service should be valuable from a tourist viewpoint, as intending tourists will now be able to make the round voyage from New Zealand via Java ports and Singapore to Saigon without the inconvenience of transshipment.

The institution of this new direct service, following upon that of the direct shipping service to Japan, is a further step in the development of New Zealand's export trade to the east, which it is hoped will in due course become a very valuable outlet for our surplus exportable produce.

OVERSEAS TRADE REPRESENTATION.

New Zealand's trade representation overseas consists of the High Commissioner's Office in London, the New Zealand Trade and Tourist Commissioners at Brussels, Toronto, Los Angeles, and Sydney, and eight honorary agents and correspondents situated in Vancouver, Durban, Johannesburg, Colombo, Hong Kong, Shanghai, Tientsin, and Suva. In addition, the New Zealand Government offices in Melbourne handle trade inquiries in that city.

The expansion of New Zealand's trade overseas is one of the primary functions of the Department, and the representatives of the Government in overseas countries pay particular attention to the furtherance of this important phase of the Dominion's development.

The services of these officers and of the Department itself are available to all members of the commercial community desiring to extend their trade relation with overseas countries. That the services of these representatives is appreciated is apparent from the increasing number of inquiries which are now being received.

Not only do the Trade Commissioners deal with inquiries emanating from traders, but they are continually in touch with local conditions and with changes in the tariffs, quota restrictions, Customs regulations, methods of payment, &c., in the territories they respectively cover.