

It will be seen from the published trade statistics that the total value of goods imported into the Tongan Group from New Zealand in 1912 amounted to £82,826 ; from Australia, £50,044 ; from Germany, £14,742 ; from America, £9,861 ; while for the year ending 1919 the following was the position : Australia, £77,739 ; New Zealand, £68,526 ; America, £12,991 ; England, £10,635 ; Fiji, £6,044.

New Zealand's position, which was easily first, has fallen back to second place, and will further recede unless New Zealand merchants are up and doing. For every New Zealand traveller who visits Tonga there are six Australians. Traders receive a constant stream of American advertisements ; Australia is following America's example, but New Zealand's advertisements are few and far between.

Complaints were received from Ministers of the Crown and officials that the agreement relative to the Union Company's fortnightly " horse-shoe " run was not being adhered to—Auckland-Sydney and Sydney-Auckland. On this run Tonga was the first port of call from Auckland and the last to Auckland. The route from Sydney was Fiji, Samoa, Vavau, Haapai, Nukualofa, Auckland. One steamer left Auckland about the time another left Sydney, calling at Nukualofa, Haapai, Vavau, Samoa, Fiji, and Sydney. The Government of Tonga is anxious, now that the war is over, to have this service reinstated. These ships carried copra, oranges, bananas, and tomatoes ; and it was considered an ordinary shipment if 22,000 packages of fruit went away in one steamer.

Unfortunately, with the stoppage of this service, the death-knell of the fruit trade was sounded. Bananas are not now planted in quantity. The Prime Minister, Tuivakano, in his evidence stated that, given shipping facilities, the Tongan fruit trade would soon get back to the conditions existing previously. We would point out, however, that while undoubtedly the stoppage of this service was unfortunate for Tonga, its reinstatement would not materially benefit New Zealand business. At the present moment New Zealand has a direct service with Tonga, while Australian goods are transhipped at Suva, and, as a consequence, the freight rates from Sydney are higher than those from New Zealand.

Vavau is famous for its oranges, which now lie in thousands rotting under the trees on the roadside. They are to some extent affected by scale and fly. It is claimed, however, that oranges were shipped to Auckland for years, and no ill effects were noticed in New Zealand, notwithstanding the fact that both these diseases were prevalent at Vavau at the time. It is claimed, too, that the pests mentioned are similar to those prevalent in Rarotonga, and the Tongan Government prays that New Zealand should put the Tongan orange on the same footing as the Rarotongan. The Tongan Director of Agriculture was in New Zealand last year conferring on the subject with the Government officials, and we were informed that he understood the New Zealand Government was prepared to consider the matter favourably. If it is true that the fly and scale are similar to those of Rarotonga, and if the Tongan supplies would not flood the market to the detriment of the Cook Islands trade, and if, moreover, the Tongan Government took similar precautions regarding fumigation and examination as is taken in the Cook Islands, there seems no reason why Vavau oranges should not be permitted to enter this country.

There is no timber in the Group suitable for fruit-cases, nor, indeed, in any of the other islands we visited, with the exception perhaps of Samoa. Complaints were made that the Union Company's vessels were not racked to carry bananas in the bunch. Empty cases, which formerly were purchased from New Zealand at 10d. each, now cost 2s. 6d. landed. This adds considerably to the cost of fruit in New Zealand, and constitutes a severe tax on the grower.

Government officials are of opinion that the opening of a bank would assist the trade of the Group, and it might be advisable to approach one of the New Zealand banks on the matter. The Government accounts are kept in Auckland, Fiji, and Sydney. The Government, however, advances money for the purchase of copra, charging 1 per cent. for so doing, provided the trader establishes a credit in Auckland, Fiji, or Sydney.

It was stated that certain restrictions are imposed on New Zealand goods shipped to Tonga which are not imposed on goods exported to Cook Islands or Samoa. The officials felt they were being treated as a foreign country and not as a British protectorate.