

Of all the nations of the world, New Zealand is among the highest in terms of trade per head. The total value of production for the year ended June, 1948, was £265 million. Of this £132,400,000 (roughly half) was exported. The total value of all goods available for use in New Zealand in the same year was £275,900,000. Of this, £143,300,000 (about 52 per cent.) was imported.

The figures throughout history show that New Zealand is largely dependent on farm products for its overseas income. Eighty-five per cent. of the value of exports was major farm products—33 per cent. dairy, 22 per cent. meat, and 30 per cent. wool.

Our overseas trade continues to expand, the volume of exports in the calendar year 1948 being 27 per cent. above the 1938 figure and 28 per cent. above the total in 1935. The volume of imports in 1948 was 8½ per cent. above the 1938 total.

The Government, in conjunction with farming representatives, has given an undertaking to the British Ministry of Food to facilitate, by 1955, a substantial increase in supplies of meat and dairy exports.

Steps have already been taken to obtain supplies of fencing-wire, while a policy of increased importation of fertilizer and the establishment of additional fertilizer-works is being actively pursued. Recently, as farmers are aware, the Government, after consultation with farming representatives, approved a basis of subsidy on imported phosphatic fertilizers (slag, finely ground North African phosphates, and guanos). The subsidy with a maximum of £3 per ton will be found—one-half by the Government and the other half from the farm industry stabilization accounts.

The Government is also fully aware of farmers' needs for farming machinery and equipment, part of which is obtainable only from dollar sources, and it is intended, within the limited amount of dollars available, to make a reasonable provision for these requirements.

New Zealand is potentially able to increase locally grown tobacco-supplies, and Government assistance has recently been given for flood-control measures in Nelson which should open up additional land capable of producing by 1952-53 an additional million pounds weight of tobacco, which will constitute a direct saving of three-quarters of a million dollars. The Government is also pressing on with the establishment of a pulp and paper mill, which will supply all New Zealand's needs and provide a surplus for export.

Turning now to goods available for consumption in New Zealand. This figure is obtained by ascertaining the value and volume of goods produced—deducting exports and adding imports.