

The general trade statistics for 1926 have been closely scrutinized and commented upon by the press and interested parties, and it is not deemed necessary to refer to the subject in this report at any length. It may be briefly recalled, however, that the heavy importations in 1920 (when imports exceeded exports by over £15,000,000) were a decided factor in the depression experienced in the Dominion in 1921. Though our importations during the past year have exceeded what may be regarded as a normal and satisfactory relationship to our exports, the position has been by no means so accentuated as in 1920, and, while some depression undoubtedly exists at the present time, there is every indication of an early return to better trading-conditions. The most recent figures of exports and imports, even allowing for seasonal influences, are more satisfactory than they have been during the year 1926.

The financial position as revealed by the banking figures, however, shows that the trading community is still relatively heavily indebted to the banks, and consequently the banks have been forced to exert pressure (through a raising of the interest-rate) to restrict credit. This, together with a raising of the exchange-rates on London (presumably with the object of protecting the banks' London balances), should tend to still further restrict overseas buying. Better prices for dairy-produce and good prices for wool should speedily correct the unsatisfactory features of the present position.

BANKING RETURNS.

The banking returns as at the 31st March, 1927, show that there has been a decrease in the amount of free or commercial deposits by £2,425,073 as compared with the previous year. The fixed deposits show an increase of £651,405.

There has been a steady increase in advances during the past three years, indicating that the pressure on the banks for accommodation has been strong.

The excess of advances over deposits at the 31st March, 1927, amounted to £5,271,996; this has not been exceeded since the year 1922, when the excess of advances was £6,130,925.

The figures for the past six years are given hereunder:—

As at 31st March.	Deposits.	Advances.	Excess of	
			Advances.	Deposits.
	£	£	£	£
1922	40,360,390	46,491,315	6,130,925	..
1923	43,465,816	42,521,573	..	944,243
1924	47,033,293	44,403,524	..	2,629,769
1925	49,897,228	43,730,262	..	6,166,966
1926	47,302,480	48,285,142	982,662	..
1927	45,528,812	50,800,808	5,271,996	..

TRADE WITH CANADA.

Following the national exhibit made by the Dominion at the Canadian National Exhibition, Toronto, last year, and the visit to Canada of the Right. Hon. the Prime Minister on his return from the Imperial Conference, a good deal of interest has centred on the trade of New Zealand with Canada. Whilst it was not contemplated at the time of making the exhibit at Toronto that much could be done to obtain practical trade contacts, the exhibits being selected mainly for publicity purposes, it was, nevertheless, pleasing that during the course of the Exhibition the greatest possible interest was evinced in certain of our products and manufactures. These inquiries made as to production and prices, if properly exploited and followed up, are likely to eventuate in the extension of our trade. The balance of trade has been consistently against this Dominion.

The following figures for the last five trading years ended the 31st December demonstrate the position:—

	From Canada.		To Canada.	
	£		£	
1922	..	1,556,213	..	446,457
1923	..	2,950,984	..	665,696
1924	..	3,914,404	..	716,543
1925	..	3,916,237	..	423,068
1926	..	3,451,533	..	861,717

For the past five years the respective totals are—from Canada £15,789,371; from New Zealand, £3,113,481.

The imports from Canada consist mainly of newsprint paper, motor-vehicles, tires and rubber goods, timber, and a large range of manufactured lines—pianos, gramophones, cameras, &c.; whilst New Zealand sends sausage-casings, hides and skins, wool, hemp and tow, grass-seed, &c.

Comparing the trade position for each of the three years ended the 31st March the total exports are as follows:—

	From New Zealand.	
	£	
1925	..	594,721
1926	..	620,942
1927	..	1,030,462