

The depression has not diminished our preference for British goods. Indeed, the percentage of imports drawn from the United Kingdom has increased in these two years from 46 per cent to 49 per cent—in New Zealand the United Kingdom has thus had a larger share of a smaller market than in normal times. If attention be paid to imports of a type produced in the United Kingdom, the corresponding percentages were 59 per cent in 1929 and 67 per cent in 1931. Let me take one commodity for which we depend on external sources of supply and in which we have made deliberate efforts to assist British industry. I refer to motor vehicles. In the two years of depression, 1929 to 1931, the number imported from non-British countries fell from 12,500 to less than 750, a decline to 6 per cent of the 1929 total, while our imports from the United Kingdom in 1931 were still 60 per cent of their 1929 figure, and over 70 per cent of the 1930 total. In the result, the United Kingdom's share in our market rose from 15 per cent in 1929 to 21 per cent in 1930 and 65 per cent in 1931. I think it may reasonably be claimed that our tariff preferences, combined with other means of furthering the use of British products, have been of material aid in directing trade into Empire channels. This may be illustrated by the following table:—

PERCENTAGE OF TOTAL IMPORTS RECEIVED FROM THE UNITED KINGDOM BY

ARTICLE	ARGENTINA	DENMARK	NEW ZEALAND
	%	%	%
Electrical apparatus.....(1929)	17	21	55
Iron and steel—bar, sheet, angle, etc.....(1929)	24	5	91
Apparel.....(1930)	Not available	32	77
Woollen piece goods.....(1929)	34	28*	90
Cotton piece goods.....(1929)	44	41	87
Window glass.....(1929)	2	1	40
Motor cars.....(1930)	0·3	Not available	28
			In 1931 the New Zealand per-centage was 70

*1930 figure.

Let me summarize the extent of New Zealand's tariff preferences:—

Seventy-three per cent of our imports (1930) were subject to preference: that is to say they were either dutiable at a lower rate if of British origin, or they were admitted free of duty if, and only if, they were produced in British countries. The imports that came within this latter group—the Empire free list—amounted to 34 per cent of our total imports. This 34 per cent was additional to the imports admitted free of duty in any case, and altogether 54 per cent of our imports of British origin were wholly exempt from New Zealand customs duties.

The range of goods subject to British preference has been constantly widened by successive revisions of the New Zealand customs tariff. Comparing 1930 with 1920, in ten years the percentage of British imports admitted on preferential terms increased from 47 per cent to 73 per cent.

We have not reached the limit of what we can do: presently I shall indicate generally, and later we shall discuss in detail, the lines of further proposed concessions.

Meanwhile it must be remembered that despite the advantages already mentioned, there has been a severe drop in our trade with British countries. For the time being we have lost our place as the largest per capita consumer of the exports of the United Kingdom: in 1929, we imported from the United Kingdom goods to the value of £14.10.6 per head of our population; in 1931, this figure had fallen to £7.9.0 per head. This loss is symptomatic of our disturbed economic condition and clearly indicates how a change in price-levels destroys the power to purchase and consume.

Closely related to, and indeed inseparable from, the difficulties which I have mentioned are monetary and financial questions. We are glad to note that these are to be considered by the Conference, with a view to action to restore and stabilize the general price-level.

Two years ago, the external debt charges of New Zealand absorbed one-sixth of the value of our exports; this year they are absorbing one-third of the exports. "Owing to the fall in export prices, about 80 per cent more exports must be sent abroad to pay interest on Government and local body debts than were