

As will be observed, substantial increases occurred during the past year in sales of timber, hemp, frozen fish, sugar of milk, wool, calf-skins, and cattle-hides.

The Trade Agreement (New Zealand and Australia) Ratification Act, 1933, which came into effect by Proclamation on the 1st December, 1933, appears to be working satisfactorily on the whole, and is proving of benefit to both countries. Certain questions are, however, causing difficulty, and will no doubt be subjects for discussion when the Australian delegation visits New Zealand in the near future.

TRADE WITH CANADA.

The value of our export, import, and total trade with Canada in each of the past five years is shown in the following table, together with the percentages which such trade bears to total exports and imports :—

Year ended 31st December,	Exports to Canada.	Percentage of Total Exports.	Imports from Canada.	Percentage of Total Imports.	Total Trade.
	£		£		£
1930	2,539,212	5·65	3,802,925	8·84	6,342,137
1931	256,890	0·73	1,224,569	4·94	1,481,459
1932	244,160	0·66	1,007,178	4·37	1,251,338
1933	560,875	1·36	1,012,250	4·72	1,573,125
1934	697,865	1·41	1,677,764	6·22	2,375,629

It is gratifying to note that despite generally adverse conditions our trade with Canada has shown steady improvement during the past two years. Our exports have increased in value from £244,160 in 1932 to £697,865 in 1934, while imports have increased from £1,007,178 in 1932 to £1,677,764 in 1934. In the same period the percentage of our total exports taken by Canada has increased from 0·66 to 1·41, and the percentage of our total imports obtained from Canada has increased from 4·37 to 6·22.

The values of the principal items exported to Canada from New Zealand in 1934 are shown below, in comparison with the figures for the previous four years :—

	1930.	1931.	1932.	1933.	1934.
	£	£	£	£	£
Butter	1,978,281	20,797	29,441	31,320	23,277
Sausage-casings	331,208	117,761	40,523	129,129	156,645
Wool	86,274	57,540	81,295	149,245	301,058
Hides, pelts, and skins	50,876	25,152	45,749	196,562	153,764
Seeds	15,376	11,153	4,757	3,363	6,919
Frozen meat	32,616	2,719	3,884	4,143	2,299
Apples	6,525	447	7,583	13,358	25,280
Kauri-gum	4,726	4,074	3,096	2,146	2,960
Phormium fibre	4,453	1,291	2,614	604	793

Every effort has been made by the New Zealand Trade and Tourist Commissioner in Canada to increase the sales of our principal exportable products, and in numerous instances sales have definitely resulted as a direct consequence of his efforts. Special attention has been given by him to the development of our trade in such commodities as butter, meat (particularly mutton and lamb), wool, hides and skins, seeds, toheroa soup, jams and conserves, casein, dried and preserved milk, kauri-gum, and certain products of the New Zealand woollen-mills, as, for instance, woollen rugs and floor-rugs.

As will be observed from the above table, the largest increase in any one item occurred in the case of wool, exports of which increased from £149,245 in 1933 to £301,058 in 1934.

Hides and skins have shown a remarkable increase in each of the past two years over the figures for 1932 and earlier years. Proposed regulations governing the grading of hides and skins are under consideration, and it is anticipated that if these are put into effect they will result in further expansion of our export trade in these items to Canada.

The Commissioner reported favourably on the prospects of marketing New Zealand lamb in Canada, but unfortunately difficulty was experienced in securing the active support of New Zealand interests. The Department has, however, now been successful in inducing a certain firm to send a trial shipment, and it is hoped that this will be the commencement of a valuable export trade in this commodity with Canada.

So far as butter is concerned, the policy of the Canadian Government has been to develop the Canadian dairying industry with a view to fulfilling local requirements from local production, and the imposition of restrictions and provisions of other kinds has effectually kept importations from New Zealand down to comparatively negligible figures. For the calendar year 1931 exports of butter from New Zealand to Canada were only 180 tons; for 1932, 302 tons; for 1933, 350 tons; and for 1934, 312 tons.

Following upon the surveys that have been made by the Commissioner during the year as to the possibilities of increasing the sale of different New Zealand products in Canada, reports have been forwarded by him to the Department in connection therewith, and the information contained in these reports has been promptly disseminated to exporters and others interested or likely to be interested.