1935.
NEW ZEALAND.

FINANCIAL STATEMENT.

(In Committee of Supply, 17th September, 1935.)

BY THE RIGHT HON. J. G. COATES, MINISTER OF FINANCE.

MR. CHAIRMAN,—

At this time last year we were able to note with satisfaction a decided movement towards better times. This movement continued, and it is now clear that there has been a further substantial improvement in the economic position of the Dominion during the past twelve months. Conditions are better and the trend is definitely upward. Since we are dependent to an exceptional degree upon our export trade, the continued progress towards recovery in Great Britain provides a hopeful augury for the future. No one visiting the Mother-country in recent months could fail to notice the great improvement in economic conditions and the spirit of optimism that now prevails.

Recovery in Great Britain.

Unless the horizon becomes unduly clouded with the danger of international complications, the prospects of continued recovery in our main market seem most heartening.

Export Prices.

Exports for the year ended 30th June last were valued at £42,954,000, or approximately £6,000,000 less than for the previous year. The decrease is more than accounted for by a fall of £7,000,000 in the value of wool exported, this being due to a sharp fall in wool prices from the levels of 1933–34 and to a substantial carry-over. The wool situation is generally favourable to producers and it is expected that better prices will be obtained at the sales this year.

Wool.

Dairy-produce.

As a result of the exceptionally dry summer, production and exports of dairy-produce showed a decrease last season of about 5 per cent. On the other hand, the average price on the London market was 4s. to 5s. higher than during the previous season. Factory pay-outs to farmers were about 9⅝d. per pound, this being approximately ½d. per pound better than for the previous season. Recent prices have shown an upward tendency, and there seems a reasonable prospect that returns will be better during the coming season.

Meat market.

Exports of meat showed an increase in both quantity and total value. Of special interest is the substantial increase in the export of pork. During the past four years the quantity of pork exports has increased fivefold, and their value has now reached a total of £1,313,000.

Although meat prices during the past season continued to be relatively stable at a fairly satisfactory level, the outlook was uncertain on account of the proposals suggested by the United Kingdom to place a levy on all meat imported into the United Kingdom. While the Ottawa Agreement and the Treaty with the Argentine remained in force a levy could not be imposed without consent, but, failing such consent, the British Government considered it would have no option but to impose drastic restrictions on imports in order to restore live-stock prices in the Home market to a remunerative level.