

As will be observed, substantial increases occurred during the past year in sales of timber, peas, sausage-casings, sheep-skins, pumice and sandstone, and gold.

The Australian Commonwealth Government has recently announced the adoption of a new external trade policy involving the introduction of an import licensing system. The objects of the scheme are to increase the volume of Australian primary produce, to expand secondary industries, and to improve rural and industrial employment. All goods of British origin are to be exempt from the licensing proposals, so that no adverse effects will be sustained by New Zealand as a result of the introduction of the scheme. There has been insufficient time so far to ascertain what effects the new policy will have on New Zealand's external trade, but one minor result has been that the direct shipping service between Japan and the Dominion has been modified so that the Japanese steamships now call at Australia *en route* to New Zealand from Japan or *vice versa*. In other respects the direct service remains unaltered, the only difference so far as New Zealand is concerned is that the voyage takes three or four days longer than when the ships did not make these calls at Australian ports. With the settlement of the present Japanese-Australian trade difficulties it is anticipated that the service will again become direct between Japan and New Zealand with no calls at Australia during the voyage.

#### 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 percentage which such trade bears to the total exports and imports:—

| Year ended 31st December, |    |    |    | Exports to<br>Canada. | Percentage of<br>Total<br>Exports. | Imports from<br>Canada. | Percentage of<br>Total<br>Imports. | Total Trade. |
|---------------------------|----|----|----|-----------------------|------------------------------------|-------------------------|------------------------------------|--------------|
|                           |    |    |    | £(N.Z.)               |                                    | £(N.Z.)                 |                                    | £(N.Z.)      |
| 1931                      | .. | .. | .. | 256,890               | 0·74                               | 1,342,321               | 5·06                               | 1,599,211    |
| 1932                      | .. | .. | .. | 244,160               | 0·69                               | 1,107,074               | 4·49                               | 1,351,234    |
| 1933                      | .. | .. | .. | 560,875               | 1·37                               | 1,264,932               | 4·93                               | 1,825,807    |
| 1934                      | .. | .. | .. | 697,865               | 1·46                               | 2,098,610               | 6·69                               | 2,796,475    |
| 1935                      | .. | .. | .. | 656,984               | 1·41                               | 2,450,616               | 6·75                               | 3,107,600    |

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 £656,984 in 1934, while imports have increased from £1,107,074 in 1932 to £2,450,616 in 1935. In the same period the percentage of our total exports taken by Canada has increased from 0·69 to 1·41, and the percentage of our total imports from Canada has increased from 4·49 to 6·75.

The values of the principal items exported to Canada from New Zealand in 1935 are shown below, in comparison with the figures for the previous four years:—

| Item.                           | 1931.   | 1932.   | 1933.   | 1934.   | 1935.   |
|---------------------------------|---------|---------|---------|---------|---------|
|                                 | £(N.Z.) | £(N.Z.) | £(N.Z.) | £(N.Z.) | £(N.Z.) |
| Butter .. .. .                  | 20,797  | 29,441  | 31,320  | 23,277  | 8,951   |
| Cheese .. .. .                  | 213     | 9       | 2,133   | 201     | 4,731   |
| Sausage-casings .. .. .         | 117,761 | 40,523  | 129,129 | 156,645 | 223,633 |
| Wool .. .. .                    | 57,540  | 81,295  | 149,245 | 301,058 | 197,163 |
| Hides, pelts, and skins .. .. . | 25,152  | 45,749  | 196,562 | 153,764 | 161,837 |
| Seeds .. .. .                   | 11,153  | 4,757   | 3,363   | 6,919   | 8,813   |
| Frozen meat .. .. .             | 2,719   | 3,884   | 4,143   | 2,299   | 2,503   |
| Apples .. .. .                  | 447     | 7,583   | 13,358  | 25,280  | 23,686  |
| Kauri-gum .. .. .               | 4,074   | 3,096   | 2,146   | 2,960   | 1,709   |
| Phormium fibre .. .. .          | 1,291   | 2,614   | 604     | 793     | 1,094   |
| Tallow .. .. .                  | ..      | ..      | 525     | ..      | 5,207   |

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.

The trade in fruit is showing steady expansion. The market is very restricted as to time—May, June, and early July—when Canadian stored apples are usually unavailable in quantities in eastern cities. During these months of the current year and outside the fiscal year under review the quantities exported to Canada have again increased, and an initial experiment in the sale of New Zealand pears is being tried out. Usually Canada proves itself to be a payable market, the returns received being equal to, if not slightly in excess of, the values realized on the English market.

Competition is usually very keen, as New Zealand fruit is sold side by side with stored apples of domestic and United States production. The fact that our fruit retains its freshness is a favourable factor in meeting this competition. The Canadian Government some time ago imposed a fixed valuation for duty purposes against foreign apples in order to assist in the profitable marketing of