

domestic supplies, and this has proved of substantial value to New Zealand in securing payable returns. Without this special duty New Zealand fruit probably could not successfully compete against the low quotations usually offered from New York and other nearby storage and producing States. The facts as to New Zealand's ability to cater for Canada's full requirements of apples during the off-season and as to the trade being of a reciprocal nature have on recent occasions been expressed to the Canadian authorities.

As to butter, due to overproduction in Canada, the market has been listless and bulk sales have been impossible from any outside source. Since 1932, when the 5 cents duty was imposed on New Zealand butter by treaty, local production has increased from 321,000,000 lb. to over 345,000,000 lb. in 1935. The latter quantity more than meets the domestic demand, and an export outlet was found for nearly 8,000,000 lb. mainly in the United Kingdom. In hides and skins the volume of trade for the past three years has been substantial. Next to wool and casings these form the most valuable items of our exports to Canada. The trade in seeds is also showing substantial gains. The two main items of our export trade to Canada are wool and casings, and the former marked a record over the previous four years. It may be expected that the purchase of raw wool from New Zealand will continue to expand, but it is to be observed that many of the Canadian mills are equipped only to deal with tops, main supplies of which are imported from Australia and the United Kingdom.

Inquiries have recently been received from Canadian firms with reference to the importation into Canada of New Zealand frozen rabbits and other meat-products for fox feeding purposes. The development of fox-breeding in Canada has assumed very large proportions, and difficulties have been experienced by fox-breeders in securing adequate supplies of meat at reasonable prices for feeding to foxes.

Several New Zealand firms have indicated their interest in the export of frozen meat and rabbits for this particular purpose, and it is hoped that an appreciable volume of business will be developed, which will make a valuable addition to the already existing trade in frozen meat for human consumption.

TRADE WITH THE UNITED STATES.

Exports from New Zealand to the United States in 1935 were valued at £2,468,071, as compared with £1,250,364 in 1934. Expressed as percentages, the figures represented 5·30 per cent. and 2·64 per cent. respectively of total exports in those years. The value in 1935 was thus nearly twice that in 1934, and the percentage of total exports was similarly increased to twice the 1934 percentage.

Imports into New Zealand from the United States during 1935 were valued at £4,534,086, in comparison with £3,547,446 for the previous year. These figures represented 12·50 per cent. and 11·96 per cent. of total imports respectively in 1935 and 1934. The proportion of our imports obtained from the United States has continued to show a steady rise after the fall from the percentage of earlier years. In 1926, for example, the percentage of our imports derived from the United States was 20·08, and in 1931 it was 16·04 per cent.

The position, so far as our trade with the United States is concerned, is briefly summarized in the table below covering the past seven calendar years:—

Year ended 31st December,				Exports to the United States.	Percentage of Total Exports.	Imports from the United States.	Percentage of Total Imports.
				£(N.Z.)		£(N.Z.)	
1929	..	..	..	3,553,427	6·51	9,319,926	19·12
1930	..	..	..	2,116,752	4·71	7,893,114	17·82
1931	..	..	..	920,931	2·66	4,227,550	16·04
1932	..	..	..	690,015	1·94	3,565,846	14·55
1933	..	..	..	1,188,972	2·91	2,952,009	11·62
1934	..	..	..	1,250,364	2·64	3,749,559	11·98
1935	..	..	..	2,468,071	5·30	4,534,086	12·50

The marked increase in values of our exports to the United States in 1935, nearly twice as much as in 1934 and over three times the amount exported in 1932, is to be noted with satisfaction, especially in view of the difficulties encountered in effecting sales of our raw material to a country which is so largely self contained and desirous in its national policy to give a decided preference to domestic production. Few, if any, of our exports can be classed as non-competitive.

The New Zealand Trade Commissioner at Toronto has kept in close contact during the year with leading importers in the United States who are interested in the purchase of New Zealand products, and the opportunity was taken during the year to call upon all agents interested in New Zealand products in the City of New York and separate reports have been received by the Department on the contacts made and the result of the discussions. Whilst under present fiscal and economic circumstances trade with the United States of America is very difficult and speculative, the market is certainly most valuable and should be exploited and cultured in every possible way. The Government of the United States has in the past two years effected trade treaties with fourteen foreign countries, and has announced its intention to negotiate with four more.