

value of our exports show an increase over the previous year's figures. Exports to other countries in Europe not listed in the table were greater in 1935 than they were in 1934. The total direct exports to Europe were less than half the previous year's figures.

On the other hand, importations into New Zealand of the products of every European country listed, with the exception of France, Poland, and Denmark, showed increases during the year under review over the figures for 1934. The outstanding increases were in the products of Belgium, Russia, Czechoslovakia, Germany, and the Netherlands.

With regard to the above figures of the Dominion's export and import trade with various European countries, it must be observed that while imports are recorded according to countries of origin exports are recorded according to the country to which goods are consigned from New Zealand. A considerable amount of New Zealand produce is consigned to the United Kingdom, and from there it is re-exported to various countries on the Continent. The recorded statistics indicate that the goods are exported to the United Kingdom, whereas they are destined finally for various continental ports.

Recent statistics of the re-exports of New Zealand produce from the United Kingdom are not available, the last year for which particulars are published being 1933, when the value of such re-exports was £5,264,804.

Direct exports to the eleven European countries enumerated in the foregoing table consisted principally of the following products :—

Commodity.				Value.	Commodity.				Value.
				£(N.Z.)					£(N.Z.)
Wool	..	..	..	1,216,385	Casain	..	..	..	2,733
Sheep-skins	..	..	..	133,156	Tallow	..	..	..	2,039
Cattle-skins	..	..	..	96,406	Rabbit-skins	..	..	..	2,717
Calf-skins	..	..	..	69,334	Sausage-casings	..	..	..	1,800
Apples	..	..	..	25,618	Fish	..	..	..	979
Kauri-gum	..	..	..	5,670	Peas	..	..	..	290
Seeds	..	..	..	3,277					

The development of the market for New Zealand apples in Holland is receiving attention from the Trade and Tourist Commissioner at Brussels. A fairly large quantity of apples is imported into this country for re-export to other European countries, and by this intermediary country it is possible for New Zealand apples to be sent into other countries where, due to various restrictions, quotas, &c., it would not be possible for direct shipments to be sent.

Efforts have also been made by the Trade and Tourist Commissioner in Europe to secure a quota for New Zealand in respect of the importation of apples into France, but so far this has not been granted.

The office of the New Zealand Trade and Tourist Commissioner in Europe was opened in Brussels in December, 1935. The establishment of this office in Europe gave recognition to the fact that the Continent, with its wide variety of industrial enterprises and tremendous volume of production, together with the large population of the countries in Europe, is of great importance as a potential market for foodstuffs and raw materials produced in New Zealand. A great deal of preliminary work has already been done by the Trade Commissioner in Europe.

It is anticipated that the fact of having an office in Europe will prove of material advantage to New Zealand. It is realized, of course, that the nationalistic policies adopted by the various countries of Europe, with their numerous restrictions on international trade, make it very difficult for a country like New Zealand to develop a large volume of trade.

Much of the work done so far has been of an investigational character with a view to ascertaining what New Zealand products are likely to find a profitable market on the Continent and the best means of introducing our products to potential buyers. The existence of these trade restrictions makes direct representation in overseas markets not merely desirable but essential if the volume of our export trade with European countries is to be increased or even maintained.

TRADE WITH THE EAST.

The Department has continued to give special attention to the question of the development of our export trade with the East. During the last year efforts have been made to introduce New Zealand ghee into the East and elsewhere, and, with that object in view, the Department arranged for the despatch of a number of samples of ghee, prepared in different ways and from different types of butter, to be sent to such countries as India, Burma, Ceylon, British Malaya, Dutch East Indies, Hong Kong, China, and Fiji, with a view to trying out the markets.

Reports were received on these samples, and, on the basis of these reports, further sets of samples have been prepared by the Dairy Research Institute, which was also responsible for the preparation of the samples previously sent, and the Department has now arranged for these to be despatched to the different countries for the individual markets. When these reports are received the Department should be in a position to know more or less definitely whether New Zealand is able to produce types of ghee which will satisfy the requirements of the different markets.