

The table hereunder sets out the nature of the commodities which enter into our export trade with Australia, quantities and values being shown for the past two calendar years :—

Commodity.			1935.		1936.	
			Quantity.	Value.	Quantity.	Value.
				£(N.Z.)		£(N.Z.)
Timber, sawn	Sup. ft.	37,608,594	347,960	25,693,632	242,570	
<i>Phormium tenax</i>	Tons	2,419	36,932	2,965	59,202	
Tow	"	401	3,312	217	2,372	
Grass and clover seeds	Cwt.	20,725	54,596	32,409	68,020	
Peas	Centals	26,017	22,489	33,778	33,675	
Oats	"	1,968	915	1,952	961	
Fish, frozen	Cwt.	49,253	108,178	53,029	130,403	
Sugar of milk	Lb.	288,960	7,752	393,120	10,558	
Wool	"	8,213,554	216,861	9,232,465	313,809	
Tallow	Tons	149	3,499	479	10,183	
Sausage-casings	Lb.	301,380	18,827	292,221	16,215	
Hides, pelts, and skins—						
Calf-skins	No.	178,806	40,060	66,387	23,994	
Cattle-hides	"	116,889	144,737	87,616	139,442	
Sheep-skins, without wool	"	293,745	21,847	143,054	15,247	
Sheep-skins, with wool	"	2,196	484	6,518	1,863	
Pumice and sandstone	Tons	3,124	8,296	2,995	8,210	
Gold—Bar, dust, ingot, and sheet	Oz.	30,645	246,279	31,186	248,632	
Dairying machinery	"	"	13,506	"	15,246	

Notable increases have taken place in the case of wool, *Phormium tenax*, fish, seeds, and dairying machinery, while decreases have occurred in exports of timber and hides and skins. With a view to conserving supplies of white-pine, the export of this New Zealand timber has been prohibited except under license, and no doubt this action is in a large measure responsible for the fall in exports of timber.

During the past year the expansion of secondary industries has been accelerated, more particularly in iron products, motor-car and aeroplane construction being in the forefront of industrial policy at the moment. Total production in Australia according to the latest figures available, 1934–35, is as follows :—

Rural	188,000,000
Forestry, mining, and fish	31,000,000
Manufacturing	137,000,000
£356,000,000	

Of the total exports of Australia primary products account for 96 per cent., and, with the exception of New Zealand, she has not, up to the present, developed an export market for her manufactured products.

During the year trade treaties were concluded by Australia with Belgium, Czechoslovakia, and France, while discussions with Canada and Germany were held. With the object of diverting trade to Australian and British manufacturers and “good customer” foreign countries, a licensing system, together with increased duties and import quotas on certain commodities, was instituted.

TRADE WITH CANADA.

A gratifying increase in the trade with Canada is apparent from the figures hereunder, which portray the value of New Zealand’s exports to and imports from Canada, together with the visible trade balance.

Total Trade with Canada.

Year ended 31st December,				Total Trade.	Exports to Canada.	Imports from Canada.	Excess of Imports over Exports.
				£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)
1932				1,351,234	244,160	1,107,074	862,914
1933				1,825,807	560,875	1,264,932	694,057
1934				2,796,475	697,865	2,098,610	1,400,745
1935				3,107,600	656,984	2,450,616	1,793,632
1936				4,428,700	1,103,008	3,325,692	2,222,684