

The table shows that our exports to Canada have increased by £446,124, while imports have risen by £875,076. Canada now takes 1.96 per cent. of our total exports, as against 1.41 per cent. in 1935, while imports of Canadian origin are 7.53 per cent. of our total imports, compared with 6.75 per cent. in 1935.

Imports from Canada comprise a great variety of individual items mostly manufactured, of which the most important are the following (1935 figures are shown in parentheses): Motor-vehicles £891,016 (£549,740); newsprint, £424,706 (£323,980); rubber tires, £261,807 (£254,626); hosiery, £103,967 (£61,416); boots and shoes, £109,546 (£100,380).

The principal commodities entering into our export trade with Canada are set out in the table below. It is interesting to note in this connection that 84 per cent. of the 1936 exports were made up of wool, calf-skins, and sausage-casings.

Principal Exports.

Item.	1932.	1933.	1934.	1935.	1936.
	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)
Butter	29,441	31,320	23,277	8,951	13,013
Cheese	9	2,133	201	4,731	3,082
Sausage-casings	40,523	129,129	156,645	223,633	157,483
Wool	81,295	149,245	301,058	197,163	613,766
Hides, pelts, and skins ..	45,749	196,562	153,764	161,837	257,665
Seeds	4,757	3,363	6,919	8,813	12,607
Frozen meat	3,884	4,143	2,299	2,403	554
Apples	7,583	13,358	25,280	23,686	12,445
Kauri-gum	3,096	2,146	2,960	1,709	4,938
Phormium fibre	2,614	604	793	1,094	970
Tallow	..	525	..	5,207	852

As mentioned above, the most important commodity exported to Canada is wool, which showed an increase in value of £416,603 over 1935 figures. It must be remembered that this direct export item is comprised mainly of wool-in-the-grease. If cognizance is taken of the indirect imports of New Zealand wool from the United Kingdom in the form of "tops" conservatively estimated by Canadian authorities at 33 per cent. of total indirect imports of wool from the United Kingdom, an additional amount of £427,000 should be credited to our export trade with Canada. The grading, packing, and freightage of our wool is deemed to be outstanding, and a considerable goodwill has been established with our customers.

The trade in hides, sheep-skins, and calf-skins has not been quite so satisfactory, and there is a definite need for the grading and classification of all hides. The cultivation and extension of the Canadian market, where it is considered tanners can absorb the bulk of our output, is well worth while, and attention to grading and classification as mentioned above is essential. Notwithstanding the reduction in weight of hides and calf-skins exported to Canada and the fact that offerings from New Zealand have not been forthcoming, there was an appreciable gain in value over the previous year.

Seeds showed a further important upward trend, and it is pleasing to note that the New Zealand Trade Commissioner has been successful in interesting Canadian importers in this direction.

Although there was an actual increase in the value of butter exported to Canada this product has ceased to be a factor in the trade between the two countries as local production in Canada has now reached export proportions. There is, however, a market for a limited amount of New Zealand cheese.

The trade in apples, though showing a decline this year, has held its position, and when the difficulties of marketing fruit in a country capable of growing huge exportable quantities are considered, results are very satisfactory. This is only possible in the short off-season in Eastern Canada—April, May, and June—and has required the fixation of prices to wholesalers on a fair market value and judicious advertising of the fruit explaining its New Zealand origin and freshness from our orchards. Fresh pears were marketed for the first time during the year, and while the samples sent did not stand up to the long journey involved the flavour and varieties were the subject of favourable comment.

New items entering into the trade have been pears, referred to above, casein, again offered in limited quantities and sold, chamois-skins, grease for soap and oils, horse-meat, peas, and wool (noils).

An endeavour was made during the year to introduce frozen rabbits for fox-feeding purposes, but this was unsuccessful, although possibilities still exist for this valuable and desired trade to be resumed now that fox-pelts are reaching higher values. Competition from offals, and especially low-priced meats, renders success difficult, although the Breeders' Association recognize the superiority of the New Zealand product. It is hoped that further investigation in the autumn may lead to successful negotiations for the opening-up of this trade.