

## GENERAL TRADE REVIEW.

THE overseas trade of New Zealand for the calendar year 1940 is briefly reviewed in comparison with the trade during the calendar year 1939.

The total external trade increased from £107,436,499 to £122,738,802, an increase of £15,302,303. This substantial expansion in external trade was mainly accounted for by exports increasing by £15,691,817, from £58,049,316 for 1939 to £73,741,133 for 1940. Imports showed a slight recession, falling from £49,387,183 to £48,997,669, a decrease of £389,514. This big increase in exports and small decrease in imports resulted in the balance of visible exports rising from £8,662,133 in 1939 to £24,743,464 in 1940.

Among the more important products exported the following substantial increases in both quantities and values were recorded: Wool, 68,230 bales (£5,209,136); butter, 194,386 cwt. (£2,116,819); cheese, 356,249 cwt. (£2,363,596); frozen beef, 643,365 cwt. (£1,443,874); lamb, 343,534 cwt. (£1,867,977); mutton, 318,670 cwt. (£911,855); pork, 72,024 cwt. (£371,369); gold, 12,000 oz. (£313,832). In the case of chilled beef exports showed a substantial decline of 311,844 cwt. in quantity and £609,412 in value.

As regards other products exported, increases in both quantities and values were recorded for potted and tinned meats, sausage-casings, milk (dried and preserved), peas, potatoes, cattle-hides, tallow, and timber. Decreased quantities but increased values are shown in the case of rabbit-skins, sheep-skins with wool, sheep-skins without wool, and grass and clover seeds. In a few cases decreases in both quantities and values of certain items occurred, instances being casein, apples, calf-skins, *Phormium tenax*, kauri-gum, and veal.

Butter and cheese represented 37·2 per cent. of the total value of exports, meat 25·5 per cent., and wool 22·9 per cent. The comparative figures for 1939 were—butter and cheese, 29·8 per cent.; meat, 25·7 per cent.; and wool, 20·1 per cent.

The direction of export trade for 1940 is briefly shown as under, the comparative figures for 1939 being shown in parenthesis. British countries received 94·03 per cent. (87·8 per cent.) of our exports and foreign countries received 5·27 per cent. (12·21 per cent.). Our best customer, the United Kingdom, took 86·04 per cent. (81·11 per cent.) of total exports, other countries taking the following percentages: Australia, 2·94 per cent. (3·92 per cent.); Canada, 2·32 per cent. (1·62 per cent.); U.S.A., 3·83 per cent. (4·94 per cent.); France, 0·97 per cent. (2·74 per cent.); and Japan, 0·18 per cent. (0·67 per cent.).

Of our imports 76·97 per cent. (74·21 per cent.) came from British countries and 23·03 per cent. (25·79 per cent.) from foreign sources. Of the more important countries imports were shared as follows: United Kingdom, 46·83 per cent. (46·83 per cent.); Australia, 15·97 per cent. (13·01 per cent.); Canada, 5·89 per cent. (8·86 per cent.); Ceylon, 1·94 per cent. (1·67 per cent.); India, 2·92 per cent. (1·43 per cent.); U.S.A., 12·42 per cent. (11·36 per cent.); Netherlands East Indies, 4·48 per cent. (4·93 per cent.); and Japan, 1·75 per cent. (2·10 per cent.).

As regards individual items imported, the chief increases recorded were—motor-vehicles, £3,200,020; railway and tramway plant, £847,943; footwear, £266,188; cigarettes, £245,525; hosiery, £163,077; drapery, £136,704; apparel and ready-made clothing, £637,524; toilet preparations, £132,592; spirits and alcoholic beverages, £107,799; and plain tablecloths, towels, sheets, &c., £103,190. Amongst the principal increases recorded in items of import were—arms, ammunition, and explosives, £2,218,800; cotton and linen piece-goods, £822,344; oils in bulk, £606,429; sugar, £524,679; plate and sheet, tinned, £383,480; woollen piece-goods, £308,568; bags and sacks, £287,448; yarns, £286,915; silk and artificial silk, £268,199; tubes, pipes, and fittings, £165,052; tea, £123,199; sewing silks and cottons, £105,616; sulphur, £237,597; and printing-paper (other than newspaper), £175,673.

## PRICE-CONTROL.

The complete control of all prices for goods and services, which was instituted at the outbreak of war, has been continued, and with the actual experience gained from the administration of the regulations, an amendment to the regulations to provide greater control, and the development of working arrangements with many trades and industries the control over prices has been extended and improved.

Under the Price Stabilization Emergency Regulations 1939 no increases in the selling-prices of goods or services may be made above the levels ruling on the 1st September, 1939, without the prior consent of the Hon. the Minister of Industries and Commerce or the Price Tribunal. The policy which was laid down by the Government as the basis on which the Tribunal should approve increases in selling-prices can be stated briefly as being that only those increases which are absolutely unavoidable should be approved. As a general rule actual extra costs have been allowed, but if firms or industries are in a position to absorb increased costs they have been required to do so. Except under very special circumstances no firm has been allowed to make any profit on its increased costs, but has been required to maintain its gross profits on the unit basis which operated prior to the outbreak of war.

The administration of the regulations brought to light questions which were not clearly provided for in the regulations, and, accordingly, the Price Stabilization Emergency Regulations 1939, Amendment No. 1, were made on the 5th March, 1941. Difficulty had arisen in proving that goods were of the same nature in every respect as those sold on the 1st September, 1939, but under the amended regulations the word "same" has been added to by the addition of the words "or substantially the same." The onus of proving that particular goods are not substantially of the same nature and quality as goods sold on the 1st September, 1939, is now on the vendor. Further difficulty had arisen in some cases in proving that a person had actually sold goods or was willing to have sold goods on the 1st September, 1939. This has been overcome by providing that where a person did not sell