

The 40-per-cent. increase shown in the value of exports as between the years 1926 and 1927 is both satisfactory and encouraging, but the balance of trade is still a long way in Canada's favour. Dealing with particular lines of export during the above periods, the following table exemplifies the growth of trade in particular items :—

	1925.	1926.	1927.
	£	£	£
Butter	180,546	147,094	344,145
Sausage-casings	219,699	249,249	337,420
Wool	52,630	105,610	235,633
Cattle-hides	29,085	33,026	35,539
Grass-seed	3,984	5,538	5,264
Calf-skins	12,732	20,654	26,640

The Department is of the opinion that the trade with Canada can be increased, provided that reliable information as to market quotations and transport charges could be readily given. Already a good deal has been done in extending markets in New Zealand products in the thickly populated areas of eastern Canada. It is considered that an increased demand can be created for wool, casein, rabbit-skins, flax, fruit, dried fruits, and certain manufactured woollens, such as rugs and blankets. Samples of casein, toheroa-soup, and one thousand cases of apples (five varieties) have been sent forward to test the markets of eastern Canada, whilst some of the New Zealand woollen companies have appointed representatives to negotiate for sales of several lines. With the excellent regular shipping facilities provided to both the Pacific coast and eastern seaports, this valuable potential market for New Zealand's products should be fostered. The seasons being opposite is also an important advantage to New Zealand. This Dominion has earned a valuable goodwill in the past trading with Canada, but unfortunately our capacity to cater for some of Canada's needs (at present imported from foreign countries) is not widely known in the northern Dominion.

The statistics of our trade with Great Britain shown at the Toronto Exhibition have done much to educate the Canadians as to the productiveness of our Dominion, and has given them a new realization as to our ability to supply quality goods.

ISLAND TRADE.
Tonga.

New Zealand maintained during 1926 its position as chief seller to the Kingdom of Tonga. The total imports of these islands, however, fell from £258,000 in 1925 to £228,000 in 1926. New Zealand's portion of the 1925 trade was £95,000, and of the 1926 trade £71,000, a drop of £24,000. The United Kingdom increased its trade from £38,000 in 1925 to £48,000 in 1926, despite the falling-off of £30,000 in total imports. It appears as though there were more direct shipments from the United Kingdom last year, and this reduced transshipments through the Dominion.

The exports of the Tonga Group amounted to £290,000 in 1925, and £263,000 in 1926. Of the latter, £255,000 is represented by copra, which generally accounts for over 95 per cent. of the total exports of this group of islands.

Fiji.

New Zealand continues to do a substantial share of the total trade of Fiji, but by far the greater proportion is represented by imports (mainly raw sugar) from that country.

The imports into New Zealand for the year ended the 31st December, 1926, amounted to £710,476, and the exports to Fiji £142,225, the total trade being £852,701, or 26·47 per cent. of the whole external trade of Fiji.

The imports by Fiji from New Zealand during the past five years have increased substantially, as is shown by the following figures: 1922, £103,000; 1923, £104,000; 1924, £128,000; 1925, £117,000; 1926, £142,000.

The exports to New Zealand have fallen off considerably, due chiefly to the fluctuation in the value and quantity of sugar shipped. In 1922 the exports amounted to £1,231,000; in 1923 to £942,000; in 1924 to £787,000; in 1925 to £1,024,000; in 1926 to £710,000.

A study of the detailed imports of Fiji indicates a still further possible expansion of our export trade to that country in certain lines, such as confectionery, biscuits, bottled beer, cement, manures, soaps, timber, and brushware.

Western Samoa.

The following table gives in general terms the external trade for the past five years :—

Year.	Imports.	Exports.	Total Trade.
	£	£	£
1922	282,939	365,610	648,549
1923	268,881	288,774	557,655
1924	274,803	361,418	636,221
1925	345,989	379,388	725,377
1926	324,940	320,783	645,723

The above shows that for the first time since 1922 an adverse balance was recorded in 1926.