

Exports to Australia in 1930 represented only 3·45 per cent. of the value of total exports to all countries, while imports from Australia, on the other hand, represented 7·69 per cent. of the total value of imports from all sources.

Conditions in Australia, necessitating the drastic curtailment of both national and private expenditure right throughout the Commonwealth, have unfortunately largely rendered nugatory any efforts made in the direction of trade-development. The Trade and Tourist Commissioner for New Zealand in Australia reports that there has been little demand for our products, and, in fact, for the products of any country, this being realized, perhaps, when it is mentioned that the decrease in the total value of imports into Australia in 1930 from all sources was approximately £51,000,000.

Nevertheless, every effort has been made by the Commissioner to increase the sales of our principal exportable products, and it is confidently expected that such efforts will bear fruit as soon as economic conditions in Australia begin to improve. From time to time reports upon the prospects of increasing our trade in various lines have been furnished by the Commissioner to the Department. These relate to such commodities as New Zealand tobacco, *Phormium tenax*, deer-skins, timber, and fish.

The Department has been kept regularly advised of current market quotations in Australia for the principal lines of produce, and particularly of wheat and flour. Reports and information relating to other phases of industry and commerce have also been regularly submitted to the Department. Wherever possible, exporters and importers in New Zealand have been put in touch with buyers and sellers in Australia of a number of products.

TRADE WITH CANADA.

The value of our trade with Canada for 1930 shows a considerable recession as compared with 1929. Exports during 1930 totalled £2,539,206 as against £3,353,975 in the previous year, while imports were valued at £3,802,545 in 1930 as compared with £4,792,820 for 1929. In spite of the reductions in the value of our export trade with Canada in 1930 that country rose to the second position of importance as a purchaser of our principal exportable products, ranking next to the United Kingdom, but nevertheless a long way behind. The United States, which had previously occupied second position, was displaced to third position.

The figures of exports to and imports from Canada for the past five calendar years are shown below :—

—					Exports.	Imports.	Total Trade.
					£	£	£
1926	..	..	..	..	861,717	3,431,533	4,293,250
1927	..	..	..	..	1,666,598	2,739,826	4,406,424
1928	..	..	..	..	2,469,150	3,258,828	5,727,978
1929	..	..	..	..	3,353,975	4,792,820	8,146,795
1930	..	..	..	..	2,539,206	3,802,545	6,341,751

The balance of trade for 1930 is again considerably in favour of our sister Dominion.

During the past year the Canadian Government gave notice of the cancellation of the Trade Treaty to which New Zealand had been a party since 1926, and notified the New Zealand Government that the duty on our principal item of export—butter—was to be increased from 1 cent to 4 cents per pound.

Subsequently the rate of duty was raised to 8 cents per pound, this being effective against New Zealand as from the 12th October, 1930. Other main items in which New Zealand had gained a satisfactory footing were also seriously affected by increased duties. The position as far as Australia was concerned was, however, left unchanged pending the negotiation of a new treaty.

The adverse effects of the new increased duties may be readily demonstrated by reference to the figures of the shipments of butter from New Zealand to Canada during the current season and during the preceding season. For the first nine months of the current season—that is, for the period from the 1st August, 1930, to the 30th April, 1931—1,489 tons of butter were shipped, as against 18,104 tons during the same period of the 1929–30 season. During the present northern summer butter-production in Canada has increased, due largely, no doubt, to low grain-prices, and under existing circumstances Canada is actually an exporter of butter.

The world-wide depression has also naturally adversely affected the volume and value of our trade with Canada, as with other countries.

Attention has been given by the New Zealand Trade Commissioner in Canada to the development of our trade in meat. In view of the recent recession in price in New Zealand, efforts have been made to find a market for the finer qualities of lamb, and also for the lighter weights of mutton. Some success has already been achieved in regard to sales of lamb, the first parcel to arrive being found eminently satisfactory in respect to quality. New sources of trade are being exploited in both Montreal and Toronto, and, aided with samples and the reports of the New Zealand Meat-producers Board, it is confidently expected that the business will steadily grow.

In regard to raw wool the Commissioner reports that prospects for increased trade with Canada appear to be good, providing no tariff-changes are made. The qualities of New Zealand wools mainly in demand in Canada are the crossbred 40's to 50's and the half-bred 56's to 58's; also lambs, of which quite a reasonable quantity has recently been sold. Crutchings should also be in demand later in the year, preferably in the scoured state. The demand for combings is small. Large quantities of New Zealand wool are sold in a partially manufactured form to Canada from Bradford (England) and from Boston (U.S.A.).

The market for hides and skins both in Canada and the United States has been fully explored, and every effort made to induce sales.