

was undoubtedly the main factor in the added value of our exports. The values of main items of export in 1924 as compared with 1923 are as follows:—

	1924.	1923.
	£	£
Wool	15,267,364	10,904,658
Sheep-skins	1,513,477	1,121,695
Frozen meat	9,506,249	9,012,720
Butter and cheese	18,664,965	17,559,597

The principal increases in value of imports in 1924 as compared with 1923 were as follows: Motor-vehicles, £1,125,000; wheat, £1,040,000; electrical machinery, £600,000; timber, £405,000; and coal, £269,000.

It is much to be regretted that the Dominion should be forced to buy from abroad such essential commodities as wheat, oats, coal, and soft-wood timbers. The Dominion has also imported to an increasing extent commodities easily procurable in the Dominion, such as biscuits and confectionery, oils and paints. A lessening in the value of imports of soft-goods and footwear somewhat assisted the local industries, more particularly the boot and shoe industry. It should again be emphasized that production is the all-important factor, and that in reducing the amount of our imports our local manufacturers are improving our favourable trade balance, and are consequently assisting in meeting our indebtedness abroad. If prices for our leading lines of export continue to decline it will be essential that we should rely more upon our own resources and use every possible means to increase the production of such commodities as wheat, oats, and coal. Greater attention in this regard to our own manufactured goods, which are able to compete favourably as to price and quality, would also affect a material gain in the Dominion's economic welfare.

Analysing New Zealand's export trade, it is satisfactory to record that over 80 per cent. of exports are normally shipped to the United Kingdom, and although during the war years this percentage was not maintained, the figures for 1922, 1923, and 1924 show a recovery to percentages of 85, 83, and 80 respectively. The United States of America has recently been our next-best customer, the percentage of the total exports in 1923 being approximately 8 per cent., and in 1924 6 per cent. Australia in 1923 took nearly 6 per cent., and in 1924 5 per cent. Canada in both years has taken a little over 1 per cent., while Germany has increased her proportion from less than $\frac{1}{2}$ per cent. in 1923 to over 2 per cent. in 1924.

In regard to imports, the United Kingdom is still by far the most important supplier of the Dominion's requirements from overseas, but the proportionate importance of this trade is gradually declining. During recent years the United States, Canada, and Japan have supplied a much greater proportion of the Dominion's imports than in pre-war years. Japan has, however, lost much of the trade which she secured during the war.

The percentages of the Dominion's total imports, and the values, as supplied by the leading countries from which the imports were drawn, during 1923 and 1924 were as follows:—

Imports from	1923.		1924.	
	Value.	Percentage of Total Dominion Imports.	Value.	Percentage of Total Dominion Imports.
	£		£	
United Kingdom	22,532,205	51·9	23,068,282	47·5
United States	6,956,602	16·0	7,788,293	16·0
Australia	3,653,420	8·4	5,651,027	11·6
Canada	2,950,984	6·8	3,973,639	8·2
Dutch East Indies	1,126,441	2·6	1,080,200	2·2
Fiji	853,163	2·0	970,393	2·0
Ceylon	705,622	1·6	837,506	1·7
India	742,551	1·7	741,217	1·5
France	752,599	1·7	759,240	1·5

It is to be regretted that the imports from the United Kingdom show a decline relatively to the totals in the two past years. This proportionate loss, however, is accounted for by the increased percentage of the imports which have been drawn from other British countries, notably Canada and Australia.

During 1924 the position of the exchanges was such as to afford a considerable premium on remittances to London, with a conversely high cost of remittances to the Dominion. This resulted in encouraging importation from the United Kingdom at the expense, in some instances, of our local manufacturers. Exporters having funds in London found it sometimes difficult, and certainly expensive, to secure transmission of those funds. On the other hand, purchases from Australia were effected at disadvantageous exchange rates. This position was maintained with little modification throughout 1924, and it was not until May of this year that the position was remedied upon the re-adoption of what is virtually a free market for gold.

The Dominion's external trade continues to expand, financial conditions are satisfactory, and New Zealand appears to have fully recovered from post-war depression.