

1934.

NEW ZEALAND.

FINANCIAL STATEMENT.

(In Committee of Supply, 23rd August, 1934.)

BY THE RIGHT HON. J. G. COATES, MINISTER OF FINANCE.

MR. CHAIRMAN,—

Viewing world conditions generally, there can be no doubt that the past year witnessed substantial progress towards economic recovery. The movement is more marked in some countries than in others, with the United Kingdom well in the lead. On grounds both of sentiment and of self-interest this is gratifying to New Zealand, in that the United Kingdom still remains the principal market for our large export trade, which, of course, is a major factor in our economic recovery.

Outlook abroad.

The progress already made overseas is reflected in the increase in our export prices. The recovery in wool prices was spectacular, amounting to a substantial increase over the previous year. This not only eased the difficulties of wool-growers, but put fresh heart into the whole community. At more recent sales prices have receded a little from the peak level.

Export prices.

Prices of meat also rose considerably during last year, conditions in the United Kingdom meat-market showing a gratifying improvement following the Ottawa Conference in 1932. The index number of our export prices has increased by 40 per cent. At the present time His Majesty's Government in New Zealand, in close association with the New Zealand Meat Producers' Board, are discussing with His Majesty's Government in the United Kingdom the future of our meat-marketing.

The prices of dairy-produce have, unfortunately, remained at a disastrously low level. At the same time, the dairy-produce marketing situation in the United Kingdom has been under anxious scrutiny by His Majesty's Government in the United Kingdom, and steps have been taken there to render assistance to milk-producers. Having regard to the urgency and the complexity of the problem, and to the need in the national interest for laying solid foundations for our future in this industry, the New Zealand Government set up a Royal Commission, the report and recommendations of which will shortly be available.

Dairy industry.

Meat and dairy-produce together account for not less than 65 per cent. of New Zealand's total export-values. For this reason we are vitally concerned in the steps that are being taken in the United Kingdom in the direction of assisting and planning her agriculture. It is a development that goes to the heart of our own economic life. The present tendency in the United Kingdom, as elsewhere, is to seek a greater degree of self-sufficiency in food-supplies. Production of meat and dairying are types of farming that have long existed and can be extended in the United Kingdom, and it so happens that these are the particular products in which New Zealand has specialized.

Economic tendencies.

The farming industry generally has experienced a favourable season, resulting in a substantial increase in butterfat production and a record lambing in sheep-farming. The yield per acre in grain-growing was appreciably above the average, while there has been considerable increase in pig-keeping. The Dominion's frozen-pork exports for the past three calendar years were: 1931, 117,078 cwt.; 1932, 143,640 cwt.; 1933, 321,338 cwt.

Primary production.