

electrical machinery and apparatus, £157,040 (£100,770); boots and shoes, £155,816 (£126,318); hosiery, £130,788 (£126,318). A substantial decrease occurred in importations of printing-paper, £294,345 (£432,721).

The export trade to Canada, so far as the principal items are concerned, is shown in Table X below; wool, hides and skins and pelts, and casings all showing very substantial increases over the previous year's figures:—

Table X.—Principal Exports.

Item.	1933.	1934.	1935.	1936.	1937.
	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)
Butter	31,320	23,277	8,951	13,013	11,134
Cheese	2,133	201	4,731	3,082	14,358
Sausage-casings	129,129	156,645	223,633	157,483	266,733
Wool	149,245	301,058	197,163	613,766	957,721
Hides, pelts, and skins	196,562	153,764	161,837	257,665	307,969
Seeds	3,363	6,919	8,813	12,607	30,437
Frozen meat	4,143	2,299	2,403	554	768
Apples	13,358	25,280	23,686	12,445	23,750
Kauri-gum	2,146	2,960	1,709	4,938	13,375
Phormium fibre	604	793	1,094	970	2,544
Tallow	525	..	5,207	852	20,772

In previous reports attention was drawn to the necessity on the part of producers to suitably grade and classify export hides, sheep-skins, and calf-skins. With the introduction of the standard specification for the treatment, grading, and classification of hides, yearlings, and calf-skins, there should be considerable improvement in the quality of our skins destined for the Canadian market.

From official Canadian sources statistics of imports of principal items from New Zealand for the two calendar years 1936 and 1937 are set out in Table XI below:—

Table XI.—Principal Imports.

	1936.		1937.		
	Quantity.	Value.	Quantity.	Value.	
		\$		\$	
Apples, green .. .. .	.. Brl.	21,368	82,797	28,550	110,716
Casein .. .. .	.. lb.	116,936	10,290	349,618	42,609
Cheese .. .. .	.. ..	133,978	15,976	157,388	18,080
Gelatine, edible .. .. .	.. ..	10,080	2,247	45,360	9,005
Gums .. .. .	.. ..	314,600	13,667	660,300	55,639
Hides, raw .. .. .	.. Cwt.	56,652	1,132,693	79,819	1,474,663
Sausage-casings .. .. .	.. ..	..	658,242	..	1,065,516
Seeds .. .. .	.. ..	..	70,487	..	171,450
Flax .. .. .	.. Cwt.	1,907	8,807	2,045	9,411
Wool, raw .. .. .	.. lb.	12,053,396	2,488,044	13,207,483	4,476,244

Butter.—Sales of butter to Canada by New Zealand have been almost negligible during recent years consequent upon the "dump" duty which the Canadian Government reserves the right to impose in excess of the treaty-rate of 5 cents. In November, 1937, it was apparent that supplies of butter available in Canada were low, and on 1st December it was estimated that the shortage was approximately 6,000,000 lb. Negotiations were therefore immediately commenced by the New Zealand Trade Commissioner in Toronto and the New Zealand Government for direct sales of our product. In January the Canadian Government decided to admit 25,000 boxes from New Zealand without "dump" duty and to extend this quantity if necessary. In all, some 35,500 boxes were despatched; but the Canadian Government adhered to the quantity of 25,000 boxes mentioned above free of "dump" duty, but agreed to prorate the dumping-duty amongst importers in the ratio that 25,000 boxes will bear to the total quantity purchased prior to 1st February and imported between 1st January and 1st April, 1938.

Lamb and Mutton.—A trial shipment of 5,900 carcasses of lamb and mutton was made early this year consequent on the reduction in duty from 3 cents to $\frac{1}{2}$ cent per pound. This shipment, followed by a further one of 3,000 carcasses of lamb, was made to Eastern Canada (Montreal and Toronto), and ready sales were made at prices comparable with London. Mr. Forsyth, the London Manager of the New Zealand Meat Producers' Board, co-operated with Mr. J. W. Collins, the New Zealand Trade and Tourist Commissioner in Toronto, in arranging displays and generally placing the meat in consumption. The superior eating-quality of the New Zealand lamb was freely commented on by butchers, and the trial augurs well for the success of future shipments during a limited period extending from February to May. Mutton is not a popular meat in Canada.