

With the direct shipping services to these Eastern countries the trade should increase, and it is pleasing to record the growth in exports to the Dutch East Indies from £1,894 in 1936 to £4,035 in 1937. The trade, while still small, is more than double that of the previous year.

The marketing of apples in the territory is being pursued, and good work is being done by our honorary representatives stationed in the East.

TRADE WITH JAPAN.

Total trade with this country is given in Table XXVII below, and it is noteworthy that, with the exception of 1935, there has been a surplus of exports over imports for the last four years. This surplus reached £1,502,007 in 1937, the year under review.

Table XXVII.—Total Trade with Japan.

	Exports.	Imports.	Percentage of Total Imports.	Excess of Imports over Exports.
	£(N.Z.)	£(N.Z.)		£(N.Z.)
1932	236,799	478,000	1.9	241,201
1933	354,462	677,000	2.6	322,538
1934	856,014	836,000	2.7	20,014*
1935	432,000	1,100,150	3.0	668,150
1936	1,554,837	1,328,199	3.0	226,638*
1937	3,131,986	1,629,979	2.9	1,502,007

* Excess of exports over imports.

Imports from Japan comprise a wide range of manufactured and semi-manufactured goods, the major ones being silk and artificial silk piece-goods, £431,618 (£416,005); cotton, linen, and canvas piece-goods, £265,730 (£268,884); and sulphur, £131,522 (£66,626).

Exports of the principal items are shown in Table XXVIII below:—

Table XXVIII. Principal Exports to Japan.

	1934.	1935.	1936.	1937.
	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)
Wool	689,851	241,697	1,265,836	2,705,946
Casain	92,342	128,667	142,124	173,257
Tallow	24,424	8,536	49,865	60,082
Butter	2,419	446	469	24,928
Hides, pelts, and skins	21,222	27,016	48,376	54,300
Scrap metal	18,418	18,990	24,870	56,727
Frozen meat	377	10,131	8,323

From this table it is seen that wool dominates our export trade with Japan and shows an increase over 1936 by £1,440,110. Other items entering the trade all show increases, with the exception of frozen meat.

The direct shipping services have maintained regular sailings throughout the year, and no doubt this has assisted considerably in the growth of trade not only to Japan, but to certain other Eastern countries.

TRADE TREATIES.

The year under review marks a most important one so far as the conclusion of trade arrangements with overseas countries is concerned.

Following upon discussions which the Hon. Mr Nash had with foreign Governments during his visit abroad, trade arrangements have been made with the countries mentioned below:—

The Netherlands.—An arrangement on a most-favoured-nation basis was concluded with the Netherlands, and came into effect on the 14th January, 1938. Under this arrangement duties on a limited range of goods imported from the Netherlands were reduced, and the Netherlands agreed to the importation of a quantity of fresh apples not exceeding 1,400 metric tons at the reduced monopoly fee of 2 cents per gross kilo during the period 1st March to 30th June, inclusive, in each year. The Netherlands also agreed to grant a quota for the importation of 1,000 metric tons of raw animal-fat per annum.

Switzerland.—A trade arrangement was concluded with Switzerland on a most-favoured-nation basis, duties being reduced on a limited range of articles, including certain machinery, metals, pipes, medicinal preparations, &c., being the product of Switzerland.

Switzerland agreed to the importation of a quantity of apples and pears not exceeding 1,500 metric tons.

Germany.—A trade and payments agreement was concluded with Germany, and became effective on 12th October, 1937.