

record totals of 921,000 in the case of the Post Office Savings-bank and 261,000 as regards trustee savings-banks, while the total amount at credit of the depositors in both classes of banks was no less than £76,486,000, which also constitutes a record for the Dominion.

These and other notable improvements, of which further details will be supplied later, represent no mean achievement for which the Government's measures must to a very large degree be held responsible. It is true, of course, that except by maintaining or improving the quality and increasing the quantity of the Dominion's exports, or by more orderly or efficient marketing, the Government cannot influence overseas prices; nevertheless by the introduction of measures which ensure a more economic utilization of our resources, together with a more equitable distribution of the national income, the Government has been able so to influence prosperity within the Dominion as to be responsible to a large extent for the satisfactory results which have undoubtedly been attained.

In overseas markets at the present time political difficulties and trends in economic nationalism are having a somewhat disturbing effect on prices generally, but the long-range outlook is not an unfavourable one, and it is satisfactory to note that New Zealand produce is commanding excellent prices compared with those of other countries. The possibility of extending existing markets and of developing new ones is receiving the constant attention of the Government, and the negotiations which were completed as a result of my visit abroad in 1937 have proved that the expense involved was an excellent investment.

#### EXTERNAL MARKETING.

An important factor in the development of the Dominion's overseas trade has been the Primary Products Marketing Department, the Export Division of which administers that portion of the Primary Products Marketing Act relating to the purchase and sale of export dairy-produce. The Division is now approaching the completion of its second year in operation. The success of the policy adopted in regard to the marketing of butter and cheese, which was clearly indicated in the first year after the inauguration of the new procedure, has been fully maintained, and there has been general agreement amongst those qualified to judge that the present procedure is superior to the procedure of the past.

The London agents appointed by the Government to sell butter and cheese have rendered excellent service, and they continue to act in full and friendly co-operation with the Department.

The shipping programme of the Department is designed to provide regular shipments of butter and cheese in quantities to meet the needs of the markets, while the distribution of butter and cheese in the United Kingdom has been widened by means of direct shipments to the main United Kingdom ports. In particular, regular shipments have been commenced to Cardiff, Southampton, Hull, and Newcastle-on-Tyne.

Every endeavour is being made to develop markets for dairy-produce in countries other than the United Kingdom. During the past year, as a result of the trade treaty recently effected between Germany and New Zealand, this outlet for New Zealand butter has been reopened, and quantities totalling 58,000 boxes were purchased and shipped to that country. It was also possible to make sales to Canada of approximately the same quantity, while the small but increasing markets for New Zealand butter in the Panama Canal Zone, the West Indies, Honolulu, and the East are being fostered.

The experience of the past two years shows the soundness of the present single-unit system of marketing with general sales instead of individualized factory sales, and of consignment selling instead of the mixed consignment and f.o.b. and c.i.f. selling which was a disturbing feature in the marketing system of the past.

In order to ascertain the extent of savings in the new marketing procedure compared with the old, an analysis of marketing costs has been made, full details of which will be presented to Parliament later in the annual report of the Department. The result of this analysis is impressive, as it discloses that the saving on butter