

It is difficult to gauge with any degree of accuracy the volume and condition of internal trade, but it is probable that a satisfactory indication is afforded by a consideration of the quarterly bank returns. The returns for 1922 and the first half of 1923, with those of March, 1921, inserted for comparative purposes, show the following :—

Quarter ended				Deposits.	Advances.	Excess of Advances over Deposits.
				£	£	£
1921—March	..	..	..	47,155,726	52,446,336	5,290,610
1922—March	..	..	..	40,360,390	46,491,315	6,130,925
June	..	..	..	41,388,886	46,155,934	4,767,048
September	..	..	..	41,961,865	42,994,448	1,032,583
December	..	..	..	41,104,419	43,431,015	2,326,596
				Excess of Deposits over Advances.		
				£		
1923—March	..	..	..	43,465,815	42,521,570	944,245
June	..	..	..	45,682,952	41,711,273	3,971,679

The decline in the excess of the advances over deposits during 1922 is of outstanding importance, and by reason of a marked increase in the deposits during 1923 the figures for the latest quarter show an excess of deposits amounting to nearly four millions.

Heavy stocks of high-priced goods imported from abroad were liquidated during the past year, and banks were relieved of a large portion of the financial burden involved, while the satisfactory firming of the markets for wool, meat, and dairy-products also materially assisted in removing the financial stringency and the resulting general depression of internal trade.

Interest rates have declined generally, and best bank overdrafts are now at  $6\frac{1}{2}$  per cent., a decline of  $\frac{1}{2}$  per cent. on the position ruling throughout 1922. Government securities in recent months have been eagerly sought after, and  $5\frac{1}{2}$ -per-cent. bonds, redeemable in 1933, have risen to £102.

Deflation of values has to a large extent been effected, and conditions and prospects generally may be regarded as satisfactory.

#### SECONDARY INDUSTRIES.

While it is recognized that the prosperity of the Dominion is dependent very largely upon the well-being of the primary and extractive industries of the country, the fact should not be overlooked that the secondary industries are responsible for a great and increasing volume of production, which, though not exported to any material extent, is nevertheless necessary in the national economy, and contributes largely to the wealth of the Dominion and the available supply of consumable commodities.

The following table sets out the comparative statistics relative to secondary industries over a period of years. The totals differ somewhat from those previously published, for the reason that the Government Statistician has made certain adjustments of the figures with the object of eliminating from the totals for previous years the figures of industries not included in later compilations. The table given below is therefore on a better comparative basis than could be secured by adhering to figures previously published for earlier years :—

	1900-1.	1910-11.	1920-21.	1921-22.
A. Number of establishments .. ..	..	4,670	4,804	4,180
B. Number of employees .. ..	41,257	47,631	63,616	61,068
C. Amount of wages paid .. ..	£3,302,647	£5,572,270	£12,569,904	£11,519,975
D. Value of materials used or operated upon .. ..	£6,692,727	£20,089,187	£53,426,649	£39,909,824
E. Value of products .. ..	£12,227,864	£30,083,484	£78,473,569	£66,847,837
F. Approximate value of land, buildings, machinery, and plant .. ..	£7,959,631	£14,430,355	£39,564,837	£41,384,219

The readjustment of the basis of compilation has had the effect of showing an apparent decrease in the number of establishments in some industries, and also in the total of all industries; but in other respects the effect on the statistics is negligible, the number of employees, materials used, products, &c., included in the trades now eliminated being comparatively small. Consequently, comparisons with earlier years are not seriously affected, except in so far as the number of establishments is concerned.

It is pleasing to be able to record the establishment of several new industries, one of the most important of which is that of glass-manufacture, the works established near Auckland being opened in September last. The economic need for a large output is keenly felt, however, and the position of the industry in relation to the necessity and advisability of tariff protection is now under consideration by the Government.

Many of the well-established factories of the Dominion have extended their premises and plant, and have increased their output.

The smelting of iron-ore now being carried on in the Nelson District appears to be a venture of assured success, and the Department has been pleased to be of assistance in bringing the product before the notice of users, who have as a result placed orders for supplies of pig iron.

The following brief comments may be made in regard to the condition of several of the leading industries :—

*Engineering and Agricultural Implements.*—The year 1921 was unsatisfactory, and 1922 opened with the trade still depressed. Improvement was shown during the year, and the outlook is now more satisfactory. Slackness of trade in the past, so far as agricultural implements are concerned, has been due essentially to farmers' financial difficulties, and not to overseas competition.