

to see that during the year now under review this recovery has been much more pronounced on every side, and the present indications prognosticate that New Zealand is gradually returning to a period of prosperity. The world generally is slowly returning to normal conditions of trade and finance, and is being freed from the unprecedented fluctuations and chaos brought about, or at any rate accelerated and accentuated, by the Great War. The Dominion is indeed to be congratulated upon its extraordinary recuperative power and the recovery which it has made.

Over 90 per cent. of the Dominion exports are represented by agricultural, pastoral, and dairying products, and the prosperity which we are now enjoying is largely due to the success which has attended these primary industries. Last year was a particularly good one in the principal branches of the primary industries, and all round substantial increases on the previous year are recorded both in the volume of production and the sum which the products have realized. The financial gain accruing from the increase in the proceeds of realization is most satisfactory and will be of immediate benefit to the country, but the most pleasing feature of the figures is that of increased production. The volume of exports during the past few years has shown a rising tendency, and the substantial increases for the past year are matters for general satisfaction. These increases are in no small measure due to increased efficiency brought about by more scientific methods of farming than those adopted in the past. The attention now being devoted to scientific and industrial research, and the increasing recognition amongst farmers of the need for modern methods in their operations, inspire confidence for the future, and induce and encourage the belief that the increases will be sustained. When our national income was so enormously augmented during and immediately after the war, the increase was an unhealthy one, brought about by the abnormal prices for our produce then ruling, engendered by conditions over which we had no control. Such an increase cannot be said to be in any way an index to the soundness of the country, which, it is considered, can be measured only by the true economic gain of increased production, although, of course, the commercial and financial condition of the country depends to a large extent upon price conditions.

It is a commonplace that years of prosperity and expansion are inevitably followed by years of leanness and depression. The psychological influence of prosperity oftentimes leads us into reckless trading and unjustified expansion and speculation. It is true that the present indications in the wool trade show that the prospects for wool-growers are very encouraging indeed. It is gathered from those who are competent to judge and make a forecast that the accumulations of the war and the near post-war period have now been all absorbed, and that the demands of the manufacturers exceed the available supplies. At the same time, whilst the most reliable advisers from the great manufacturing centres intimate that not only are the present good prices likely to be maintained, but show a tendency to harden, it should be realized that the existing price-levels cannot continue indefinitely and sooner or later will probably fall. To provide for this producers should in their years of prosperity strive to reduce their liabilities, accumulate a store of savings, and improve their stock and methods, so that when the fall comes the quantity and quality of their products will compensate them for any diminution in the prices they realize. This policy is being adopted in the farming estates and other interests controlled by the Public Trustee. It is gratifying to be able to record that the position in regard to the collection of amounts due to estates has very much improved during the past two years, largely due to the more prosperous economic conditions which have prevailed in the primary industries.

In the dairying industry it is a matter of satisfaction to note the increased attention which is being paid to top-dressing and the improvement of herds. A recent writer in a publication devoted to dairying interests estimates that £5,000,000 is being lost annually through under-production due to poor stock and to the neglect of herd-testing. It is interesting to observe that our competitors in the world's market—for example, Denmark and Ireland—are taking active steps in certain directions to overcome these problems. The Office administers a large number of estates more or less closely interested in the dairying industry. Modern movements and the problems surrounding them are carefully followed, and strict attention paid to factors which will reduce overhead expenses or increase production.