

vote, but are treated as credits to the various Acts named which are administered by the Department :—

10. Slaughtering and Inspection Act: Meat and inspection fees	..	..	..	£	19,364
11. Dairy Industry Act: Dairy registration fees	..	..	..	..	1,928
12. Orchard and Garden Diseases Act: Nursery registration fees	..	..	..	..	480
13. Stock Act—				£	
Brand registration fees	..	..	..	..	2,298
Proceeds from sale of condemned stock	..	..	..	..	2,285
					<hr/> 4,583
					<hr/> <hr/> £26,355

Owing to the depreciation in values of farm-produce, credits to the vote may be expected in the current financial year to be less than in the preceding year.

A large proportion of the expenditure was incurred in the inspection of stock, dairies, rabbits, and noxious-weeds. Whilst giving no direct monetary return, these services are of indirect value to the Dominion, in enabling its output of exportable primary products to be maintained to the best advantage. With the hearty co-operation of farmers this expenditure could be reduced and the services of capable officers diverted to development work.

An additional responsibility has been entrusted to the Department in the handling of business in connection with phosphate from Nauru and Ocean Islands. The preliminaries in connection with the transfer of the Pacific Phosphate Company's interests in the phosphate deposits on these islands to the Governments of Great Britain, Australia, and New Zealand were rather lengthy, but the Commissioners appointed by the three Governments concerned have now full control of the undertaking.

Abnormal conditions have prevailed in the fertilizer-market, which have militated against the full use of this source of supply. In the early part of 1920 supplies of fertilizers were short, and eagerly sought in every market. The same factors which operated in respect of other commodities applied in the case of the fertilizer trade, and the world-wide depression found importers with heavy stocks of high-priced fertilizers in the face of a reduced demand and falling values. This restricted dealings in the Nauru and Ocean Islands product, but orders are now coming in. The price at which the Government is able to offer the rock is much below the price previously ruling. It is anticipated that from now onwards the volume of business will steadily increase.

In terms of the Nauru agreement the phosphate business purchased is required to pay interest and sinking fund on the amount advanced for the purchase, and a first payment on account of interest and sinking fund has been received by the Government from the undertaking.

The decrease in the aggregate vote of the Department is due to the removal to another account of the expenditure incurred in connection with the Board of Trade and the Industries and Commerce Department, which previously had been included in the vote for the Department of Agriculture.

STATE ADVANCES OFFICE.

It will be seen from the annual report and balance-sheet presented to Parliament that this Department is still lending money to settlers, workers, and local bodies for their various purposes at $4\frac{1}{2}$ per cent., a rate of interest which, under existing conditions, is extraordinarily low.

Although the financial stringency has caused very heavy demands to be made on the funds of the Office, honourable members will be pleased to learn that owing to the exercise of care by the Board during the war period the Office has been able to continue its operations without interruption.

During the past year 2,077 settlers have been assisted to the extent of £1,105,430, under those provisions of the Act which authorize the granting of loans to settlers.

Workers also continue to take advantage of the Act, and loans were granted to 1,560 applicants, amounting to £718,550, during the year.