

equipment. To enable farmers to take full advantage of this concession the Commissioner of Taxes will in appropriate cases modify the conditions on which claims for depreciation on farm equipment have hitherto been allowed.

To help farmers provide accommodation for farm workers and to offset higher building costs in most country areas an initial depreciation allowance of 30 per cent. in addition to ordinary depreciation rates will be granted on the construction of new cottages or other accommodation for farm workers.

These initial depreciation allowances on plant and buildings can be claimed in one year instead of the special depreciation allowances spread over five years already provided for.

The provisions of section 15 of the Land and Income Tax Amendment Act, 1945, under which the Commissioner may allow special depreciation not exceeding 30 per cent. in addition to ordinary rates of depreciation on premises, plant, or machinery, will be extended for a further year.

As provision was not made for the necessary information to be included in income-tax returns of last year's income, it is not practicable to allow the special deductions and depreciation allowances in making this year's tax assessments. Farmers may, however, go ahead with their improvements in the knowledge that they will obtain these tax concessions next year on what they now spend for these purposes.

#### **Assistance to Primary Production**

As a further measure of assistance in farming operations it has been agreed that the subsidy on imported phosphatic fertilizers (basic slag, guano, and finely ground North African phosphate) will be continued for a further twelve months on the basis of a subsidy of £2 a ton, of which industry funds will carry 85 per cent. and the Consolidated Fund 15 per cent. The period for assistance in transport of lime has been extended until July, 1952.

Investigations into the problems associated with aerial top-dressing are being actively pursued by the Department of Agriculture and the Soil Conservation Council, and the results so far are encouraging. To augment the supply of fertilizer the Government is glad to see the project for the establishment of a new fertilizer-works in Hawke's Bay going ahead satisfactorily.