loans for farmers on the security of farm stock and plant through Co-operative Rural Intermediate Credit Associations or direct from the Board is now operated by the Corporation and provides a method of financing the purchase of additional stock or implements or a programme of farm improvement which can with advantage be arranged on a current-account basis repayable by suitable annual instalments.

Rural Intermediate Credit (Stock) Loans

In terms of the Rural Intermediate Credit Amendment Act, 1946, the investments of the Rural Intermediate Credit Board were amalgamated with the Corporation's business, but this in no way affected the position of existing borrowers. The step was taken with the sole purpose of simplifying the system of book-keeping and facilitating the financial adjustments, which necessitated a considerable amount of duplication. At the date of the merger—1st October, 1946—there were thirteen Co-operative Rural Intermediate Credit Associations in existence, and these now obtain their loan requirements from the Corporation for the purpose of making advances to their members. Loans to associations at date of transfer amounted to £70,584 5s. 11d. Rural Credit stock loans made direct to farmers by the Board at the same date amounted to £126,655 1s. 6d. Advances under this system now form part of the investments appearing in the Corporation's Balance-sheet under the heading of "Current Account."

The policy of delegating to district Loan Committees and Association Boards power to make advances and readvances has been continued to the full extent previously operating, thus assisting in obtaining prompt decisions on new loan applications and retaining the advantages of local administration. Ex-servicemen seeking assistance in the purchase of stock and plant required to take up share-milking engagements or to take over leasehold properties have frequently been granted loans under this scheme.

Rehabilitation Agency: General

Eligibility for assistance under the rehabilitation scheme is determined by the Rehabilitation Board, and it then becomes the duty of the Rehabilitation Loans Committee (or one of the District Executive Committees to whom authority has been delegated) to give a decision on such questions as the suitability of the proposition—*e.g.*, if a farm, its productive capacity; or if a house, the material and standard of construction; or if a business, the value of the assets and the prospects of maintaining or increasing the turnover. To enable the appropriate Committee to arrive at its decision, each of these proposals is thoroughly investigated and reported upon by one of the Corporation's field officers or, in the case of a business, by an accountant or some expert experienced in the class of business submitted.

For the period from June, 1941, to the 31st March, 1947, rehabilitation loans have been authorized under all headings for the aggregate numbers and amounts shown below:—

Type of Loan.	Number.	Amount. £
Tools of trade	1,001	33,405
Furniture	20,475	1,884,302
Business	4,596	2,653,841
Farms	3,609	14,040,220
Houses	14,659	17,047,545
Miscellaneous	256	52,333
	44,596	£35,711,646

In addition, 297 stock loans aggregating £240,948 have been authorized.