

No change was made in the rates charged on advances to marketing organizations, which remained as follows:—

First £(N.Z.)5,000,000	..	..	1 per cent. per annum.
Thereafter	..	..	1½ per cent. per annum.

Credit balances in individual marketing accounts are set off against advances in other marketing accounts, and as, in any case, total advances did not exceed £(N.Z.)5,000,000 during the year, the effective rate has been 1 per cent.

(2) *Other Purposes.*—The decline of £(N.Z.)9 millions from the amount of £(N.Z.)45 millions outstanding on the 31st March, 1946, to £(N.Z.)36 millions on the 31st March, 1947, was due, in the main, to the fact that various Government Departments had funds available for temporary investment and the Treasury had issued bills to these Departments instead of to the Bank.

The rate of discount on New Zealand Government Treasury bills taken up by the Reserve Bank remained unchanged at 1 per cent. The same rate was charged on overdraft accommodation extended to the Government in terms of section 21 (1) (a) of the Finance Act, 1946.

Investments

Investments declined from £(N.Z.)5·19 millions on the 31st March, 1946, to £(N.Z.)3·87 millions on the 31st March, 1947.

This reduction of £(N.Z.)1·32 millions was caused partly by the redemption, at maturity, of New Zealand Government securities held by the Bank in New Zealand, and partly by sale, to the Government, of New Zealand Government securities domiciled in London.

The last-named securities were used by the Government in payment for Bank of New Zealand shares on the London register in cases where such shares were transferred to the Government, by the holders, in exchange for payment in that form.

DISCOUNT RATE

The minimum rate for the discounting of approved bills of exchange has remained unchanged since 26th July, 1941, at 1½ per cent.

EXCHANGE RATE

The Bank's official buying rate for sterling, which was fixed at £(N.Z.)124 = £(stg.)100 on the 1st August, 1934, in accordance with the terms of section 16 (3) of the Reserve Bank of New Zealand Act, 1933, remained unchanged.

Since the suspension in 1938 of the Bank's obligation to redeem its notes in sterling, no official selling rate has been quoted.

No alteration was made during the year in the following rates quoted by the trading banks for buying and selling sterling:—

NEW ZEALAND ON LONDON*

(On the basis of £(stg.)100)

				Buying.		Selling.	
				£(N.Z.)		£(N.Z.)	
Telegraphic transfers	..	..	..	124	7 6	125	0 0
				Sea Mail.		Sea Mail and Air Mail.	
On demand	..	£(N.Z.)124	0 6	£(N.Z.)123	15 3	£(N.Z.)125	0 0
3 days' sight	..	..	123 19 9	..	123 14 6	No quotation.	
30 days' sight	..	..	123 16 0	..	123 10 9	£(N.Z.)124	18 3
60 days' sight	..	..	123 11 9	..	123 6 6	..	124 17 0
90 days' sight	..	..	123 7 6	..	123 2 3	..	124 15 9
120 days' sight	..	..	123 3 3	..	122 18 0	No quotation.	

* These rates apply to all parts of the British Isles.

† Customer pays air-mail postage.