

*District Boards.*

8. *Appointment and Constitution.*—As an active commencement of the Board's lending business was not possible until the district boards had been set up, the appointment of the several boards received the fullest attention of the Board at its earlier meetings, and such rapid progress was made that, with the exception of one vacancy on each of four boards, it was possible to announce the personnel of the boards on the 15th March, 1928, the remaining appointments being completed by the 23rd April, 1928. The personnel of the district boards is set out in the Second Appendix to this report.

In deciding upon the personnel of the district boards the Board aimed at making them as representative as possible, and, as a general rule, the constitution of the district boards is as follows:—

- (a) The District Intermediate Credit Supervisor stationed at the headquarters of the district, as chairman of the district board:
- (b) A representative of another Government Department with such special knowledge of farming matters as to render his services of particular value to the district board; the Lands and Survey, Valuation, and Agriculture Departments are represented on the district boards:
- (c) A stock and station agents' representative nominated by the local stock auctioneers and agents' association.
- (d) and (e) Two prominent farmers resident in the district, selected as far as possible so that all farming interests in the district are represented.

When the appointment of the district boards was under consideration the president of the New Zealand Stock Auctioneers and Agents' Association (Mr. R. S. Abraham, of Palmerston North) was invited to request the local stock auctioneers' associations in the districts for which the Board proposed to set up district boards to nominate representatives for appointment to those boards. This he willingly agreed to do, and in the majority of cases nominations were received and accepted by the Board. The Board desires to express its appreciation of the assistance rendered by Mr. Abraham in this matter.

The calibre of the district boards is uniformly high, and the announcement of the personnel evoked favourable comment in regard to the qualifications of the members appointed. It is a matter for general satisfaction that persons of such prominence in their respective spheres of activity should be willing to make their services available in the interests of the farming community—often, indeed, at some personal sacrifice. The personnel of the district boards is a guarantee that in the granting of loans all relevant factors will receive due consideration, and that the interests both of investors in the Board's debentures and of borrowers will be properly studied. In addition to the specific functions with which they are entrusted under the Act, the boards are in a position to render valuable advice on problems of rural finance not only to the central Board but also to all classes of borrowers.

9. *Functions of District Boards.*—In the initial stages of the administration of the system the functions of the district boards have been confined mainly to the consideration of applications for loans under Part III of the Act, and the power has been conferred upon them to grant, under certain conditions, loans of this description up to the maximum amount of £250, and to furnish recommendations for the guidance of the central Board in regard to larger applications. Though it would be of great value to the Board to have the advice of the district boards upon applications submitted to associations, it is felt that, as these applications require to go before the directors of the associations before being submitted to the Board, it would make the procedure too cumbersome to require them to be considered also by the district boards. The services of the district boards are, however, frequently enlisted where doubt is entertained as to the suitability of applications submitted by associations.

Apart from dealing with loan applications, the district boards have from time to time been requested to deal with matters involving local knowledge, such as the