every year, the repayments under dairying loans were fixed for the full period of the loan, but even with dairying accounts associations were encouraged to review the loans periodically in order that up-to-date information might always be available.

15. *Delegations.*—The Board consistently pursued a policy of gradual delegation of its powers to the district organizations, and it may be stated generally that, subject to the overriding control and supervision of the Board, the granting and management of loans not exceeding £350 is now conducted in the districts, whilst loans exceeding that amount, although requiring the original approval of the Board, are subsequently administered in the districts. The powers of the district boards, District Supervisors, and associations vary according to the particular matters requiring attention.

16. *Publicity.*—The interest manifested in the system when it was first introduced was encouraged by the full publicity obtained, and so far as the funds available to the Board for the purpose have permitted every means offering has been taken advantage of, so that farmers may be aware of the method of operation and the advantage to be gained by the utilization of the system. Throughout the whole of the operations of the scheme, and particularly in its earlier stages, valuable help was received by the Board from the New Zealand Farmers' Union, the public press, and leading farmers' journals.

The Board has also issued quarterly agricultural bulletins, of which twelve have been published, and these have, in addition to rendering a service to farmers by providing them with authoritative practical advice on farming subjects, served to give publicity to the system. The Board is indebted to the staffs of Massey College and the Department of Agriculture for the preparation of the matter for the bulletins.

OBSERVATIONS ON BOARD'S EXPERIENCE DURING ADMINISTRATION.

17. *Lending Operations.*—The Board's experience has been that the system is a good one for farmers, though the lending operations have, in practice, been confined principally to dairy-farmers. When the system was first introduced these farmers found difficulty in obtaining finance from the existing lending institutions, though this position is not now evident to the same extent. The Board provided them with a channel through which they could readily obtain finance on reasonable terms provided they could offer the necessary security. The Rural Intermediate Credit Act originally permitted loans of a maximum amount of £1,000, and it was soon recognized that this sum was not sufficient to permit many sheep-farmers to obtain loans, because as a general rule the amounts required were considerably larger. Later the legislation was amended to allow of loans up to £2,000, and the system was then used by considerably more sheep-farmers. Not long after the alteration was made, however, the values of sheep declined, and few sheep-farmers were in a position to offer sufficient security to enable loans to be granted to repay their existing indebtedness. Since the values of sheep have again risen there has not been the same demand from the Board for finance, as loans have been readily available from other lending institutions. Except in districts where dairy-farmers have not been provided by other lending institutions with facilities for the obtaining of loans, the Board has found that farmers who could obtain loans from the Board could also obtain them readily elsewhere, though usually at a higher cost.

18. *Repayments.*—There is no doubt that the system introduced by the Board of insisting on gradual repayment of loans granted has been of considerable benefit to many farmers, who have repaid or reduced their indebtedness even when the prices for primary produce were low. The repayments fixed by the Board have been surprisingly well kept up even in difficult times. The credit for a considerable part of this result must be ascribed to the Board's policy of insisting on the giving by dairy-farmer borrowers of orders on their milk cheques to provide for the principal repayments and interest. It is clear that had these orders not been taken by the Board the repayments made would have been considerably less than has been the case. Although these orders have been insisted upon, the Board has acted reasonably with the farmers, and if it has been shown that the payments being obtained were too high, concessions have been granted, and the orders have been reduced or suspended.