Up to the end of the financial year now under review the subscriptions as a result of this issue amounted in all to £563,280.

A short-term loan issue may seem to be at variance with the long-term mortgage policy of the Board, but in proportion to its total liabilities the amount involved will be well within the capacity of the Corporation to handle on maturity date from normal capital repayments in respect of current mortgages.

6. *Management of Corporation Stock and Debentures.*—It was provided by section 22 of the State Advances Corporation Act, 1934–35, that issues of stock by the Corporation may be inscribed or registered in the books of the Reserve Bank of New Zealand, and arrangements have been made in pursuance of the special provisions in the Act for the management of all existing and future securities to be placed under the control of the Reserve Bank. The Reserve Bank will henceforth undertake the management and inscription of existing and future issues of securities by the Corporation on such terms as may be mutually agreed upon between the Corporation and the Bank and approved by the Minister of Finance.

7. *New Business.*—The lending-rate of the Corporation for loans on mortgage remains fixed at $4\frac{1}{8}$ per cent., and it may fairly be claimed that the policy of the Corporation in stabilizing long-term lending at this rate is in no small measure having the effect of regulating interest-rates throughout the whole field of mortgage investment. It may be conceded that mortgage finance has in some instances been arranged through other channels at lower rates, but these cases are comparatively few for limited periods, and in a special class verging on the "gilt-edged," with a large margin of security in favour of the lender.

That this service is appreciated is evidenced by the numbers of applications received and dealt with during the year under review. The following classified table shows the applications received during the year:—

	Number.	Amount.
Urban securities—		£
Erection of dwellings	1,854	1,463,801
Refinancing	2,187	1,590,857
Other purposes	1,008	580,892
	5,049	3,635,550
Rural securities—		£
Refinancing	1,890	3,784,178
Other purposes	791	871,470
	2,681	4,655,648
Total urban and rural	7,730	£8,291,198

To the above total should be added applications to the number of 777, involving the sum of £1,034,000, which were under investigation at the close of the previous year. Thus the total value of applications under investigation during the year has been little short of £10,000,000.

Particulars of loans authorized by the Board of Management during the year are given hereunder:—

	Number.	Amount.
Urban—		
Erection of dwellings—		£
Special loans over $66\frac{2}{3}$ per cent. of value of security	525	385,708
Ordinary loans	595	404,282
Refinancing	1,435	826,649
Other purposes	398	272,815
Rural—		
Refinancing	974	2,154,195
Other purposes	212	342,217
Total authorizations	4,139	£4,385,866