

Advances by the Board under Part III.—During the past financial year advances have been made to borrowers for an aggregate amount of £3,453, and the total amount of loans owing to the Board under this section at the 30th June, 1938, was £16,495. This shows a reduction of approximately £6,360 as compared with the figures at the close of the previous financial year.

Bills Discounted.—There has been little business transacted in this branch of the work during the past year, the total value of bills discounted being £856 14s. 9d. and the face value of bills on hand at the 30th June, 1938, was £861 10s. 4d.

It is apparent that farmers have been able to arrange for their requirements through local banks and stock agencies on satisfactory terms, and another factor influencing the volume of business offering has, no doubt, been the operations of the Mortgagors and Lessees Rehabilitation Act, which has affected the normal movement of land and stock sales.

It is a little early yet for this Board to form any definite opinion as to whether the terms and conditions of lending could, with advantage, be varied, but the working of the system is being closely observed and it is proposed to give further consideration to this aspect of the business at a future date.

I have, &c.

(for and on behalf of the Board),

A. D. PARK	}	Joint Managing Directors.
T. N. SMALLWOOD		

The Hon. the Minister of Finance.

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