

The investments in the course of the Board's ordinary business amount to £205,131 15s. 4d., classified as follows:—

	£	s.	d.
Advances to associations under Part II	161,574	0	4
Advances to farmers under Part III	42,317	5	3
Bills discounted	1,240	9	9
	£205,131 15 4		

In the above table the advances are shown at the amount actually owing to the Board, but in the balance-sheet the sum of £7,757 6s. 7d., representing reserves provided for possible losses, has been deducted from these figures.

29. The figures published in Appendix I to this report show that the total of advances outstanding or under consideration is smaller than at the end of the previous year.

Although farming operations continued to be difficult during the past year, in many cases borrowers were able to make repayment of their advances in accordance with the terms of their loans. These repayments, less new moneys advanced, account for the decreased investments.

30. *Accounts of Associations.*—The accounting-work of the associations is still being supervised by officers of the Board, who give the secretaries such assistance as is required.

CONCLUSION.

31. At the conclusion of the ninth year of its operations it is pleasing to the Board to record that the position of the system is entirely sound, and that ample funds are available to meet all demands likely to be made for accommodation. The considerable sum of £1,232,146 advanced since its inception indicates the substantial volume of loan business which has been transacted, especially when it is borne in mind that the average amount of the loans is between £200 and £300. An outstanding feature of the Board's experience has been the exceptional manner in which interest payments have been kept up and principal repayments effected even throughout the recent years of depression in the farming industry. It is also most gratifying to report that only one loss has so far been suffered by the Board, and that for an amount of £500 only.

32. Finally, the Board desires once again to emphasize the indebtedness which it is under to its officers, members of district boards, and directors and secretary-treasurers of associations for the successful conduct of its operations.

I have, &c.

(for and on behalf of the Board),

E. O. HALES, Commissioner.

The Hon. the Minister of Finance.
