

orders on the cheques to provide for payment of rent and mortgage-interest was extending, and that if the Board were to insist on strict compliance with its settled policy it would be precluded from assisting many worthy farmers who had given orders to their landlords and mortgagees. After consideration, the Board decided that it would give consideration to recommendations submitted to it in individual cases for the acceptance of second assignments, those taking priority to be for payment of rent and/or mortgage-interest only and not to exceed 25 per cent. of the total cheques. Only in isolated cases up to the present has the Board agreed to accept second assignments, as it requires first charges to be given under all but exceptional circumstances.

Loans on the Security of Grass-seed.—The Board was asked to grant loans on the security of grass-seed in store in order to assist growers in the marketing of the seed to the best advantage. After full inquiries had been made the Board decided that it would consider applications for such loans on the security of certified ryegrass or certified clover-seed in bags in approved stores in good condition and fully insured. The loans must not exceed 50 per cent. of the valuations, and must be for terms of not less than six months or more than nine months, the Board's current rate of interest being charged.

Supplementary Lines of Farming.—Information supplied to the Board disclosed that, while some farmers take full advantage of the opportunities offered of increasing their income by developing supplementary lines of farming such as pig-raising, others utilize them only partially or not at all. The Board desired to stimulate the development of such supplementary lines, and brought under the notice of the farming community the importance of this matter and the fact that an adequate supply of funds was held to meet demands for assistance from farmers who can comply with the Board's usual requirements. It has been recognized for many years that pig-raising should be carried on as a line of farming supplementary to dairy-farming, but there are many dairy-farmers who do not engage in pig-raising to the extent they might. The Board is anxious to help them to increase their income, and loans required for this purpose will be granted if the conditions are satisfactory.

Agricultural Bulletins.—The Board has undertaken for one year the responsibility of issuing and distributing quarterly agricultural bulletins to be prepared by the staff of the Massey Agricultural College, Palmerston North. It is felt that these bulletins will be appreciated by farmers, and that the Board will be rendering a service to the industry in arranging for their distribution. Details of a proposed distribution are now being compiled in order that the first bulletin may be distributed as soon as it has been prepared and printed. Copies of the bulletins will also be available at the Head Office and branch offices of the Board and at the offices of co-operative rural intermediate credit associations.

ADMINISTRATION.

20. *Death of Commissioner.*—The death, on the 21st June, 1934, of Mr. J. W. Macdonald, C.M.G., who had acted as Commissioner of Rural Intermediate Credit since the introduction of the system, is recorded with regret. The duties of the position were capably performed by the late Mr. Macdonald from the passing of the Rural Intermediate Credit Act to the time of his death, and credit for the successful establishment of the system must be largely assigned to him. The sympathy of the Board was conveyed to Mrs. Macdonald and her family and to the staff of the Public Trust Office.

21. *Meetings of Board and Local Committee.*—Ten meetings of the Board and twenty-six meetings of the Local Committee were held during the year.

22. *District Boards.*—The following changes in the personnel of the district boards are reported :—

Hawke's Bay : Major-General Sir Andrew Hamilton Russell, K.C.B., K.C.M.G., a foundation member of the district board, resigned on account of pressure of other business, and his resignation was accepted with regret by the Board, which paid a tribute to the work which he had done.