

1926.  
NEW ZEALAND.

# RURAL CREDITS COMMISSION'S REPORT COMMITTEE

(REPORT OF THE).

(MR. D. JONES, CHAIRMAN.)

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*Presented to the House of Representatives, and ordered to be printed.*

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## ORDER OF REFERENCE.

*Extract from the Journals of the House of Representatives.*

TUESDAY, THE 17TH DAY OF AUGUST, 1926.

*Ordered*, "That a Select Committee be appointed, consisting of ten members, to consider and report on the proposals contained in the Rural Credits Commission's Report, and proposals incidental thereto; the Committee to have power to call for persons, papers, and records; three to be a quorum; and to consist of the following members: Mr. Elliott, Mr. Forbes, Mr. A. Hamilton, Mr. H. E. Holland, Mr. Savage, Mr. D. Jones, Mr. Reid, Hon. Mr. Downie Stewart, Mr. Walter, and the Right Hon. Sir Joseph Ward."—(Right Hon. Mr. COATES.)

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## REPORTS.

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### RURAL CREDITS COMMISSION'S REPORT.

YOUR Committee, which was set up to consider and report on the proposals contained in the report of the Royal Commission on Rural Credits, and on the proposals incidental thereto, has the honour to report that it has heard evidence on and considered the recommendations of the Royal Commission, as outlined in its report, and also the rural-credits proposal of the Bank of New Zealand. In the circumstances, your Committee considers it advisable to report on these schemes seriatim.

#### *Proposals of the Royal Commission on Rural Credits.*

Your Committee desires to record its appreciation of the manner in which the thorough and detailed information obtained has been set out by the Commission in its report. Every branch of finance affecting rural producers has been dealt with; and while in certain countries there are more systemized methods operating, your Committee particularly notes the Commission's finding that in the important essentials of long-term mortgage and short-term credits no country is better served than the Dominion by the State Advances Office and by the banks.

The proposals of the Royal Commission may be succinctly stated in the following three propositions:—

- (1.) That long-term mortgage credit should continue to be administered by the State Advances Office, in which a special Farm Loan Branch should be constituted, under the control of a Farm Loan Board, consisting of the present State Advances Board supplemented by representatives of the primary industries. Capital to be provided by the issue of securities charged directly against the mortgages, instead of the public revenues as at present: the limit of advances to be £7,000, based on ascertained productivity up to two-thirds of the value of the land.
- (2.) That intermediate credit should be provided which will enable the producer to make extended use of existing institutions with the assistance of the Farm Loan Board.
- (3.) That the facilities for credit should be further improved by adopting a method whereby warehouse receipts can be accepted with confidence as security for moneys advanced against stored produce.