

1932.
NEW ZEALAND.

RURAL INTERMEDIATE CREDIT BOARD

(REPORT OF THE), FOR THE YEAR ENDED 30TH JUNE, 1932.

Presented to both Houses of the General Assembly in accordance with Section 76 of the Rural Intermediate Credit Act, 1927.

SIR,—

Wellington, 20th October, 1932.

In accordance with the provisions of section 76 of the Rural Intermediate Credit Act, 1927, I have the honour, on behalf of the Rural Intermediate Credit Board, to submit a report on its operations for the year ended 30th June, 1932.

1. In the report of the Board for the year ended the 30th June, 1931, it was mentioned that the year then under review had proved a difficult one for farmers owing to the reduced prices received for primary produce and to the unsatisfactory season experienced in many districts. Conditions during the year now under review were even more difficult. In the previous year the majority of farmers still had a certain reserve of resources with which to counteract to some extent the deficiency caused by the fall in prices and to assist them to meet their commitments. These resources were, however, largely exhausted during that year, and notwithstanding economies which have generally been effected, increased numbers of farmers have found themselves in a difficult position financially, and have been able to carry on only as a result of substantial concessions granted by the mortgagees of their land and stock. The Board has found it necessary to grant a number of concessions, and has assisted borrowers as far as it could reasonably do so consistent with the duty cast upon it of protecting the interests of its debenture-holders. It is very gratifying to record, however, that the majority of the Board's borrowers met their payments satisfactorily and that with few exceptions the Board's securities are sound and are giving no cause for anxiety. As an indication of the satisfactory position of the Board's accounts, it may be stated that the arrears of interest owing at 30th June, 1932, amounted to the small sum of £422 8s. 1d., a portion of which fell due only in that month.

2. As at the 30th June, 1932, the total business which had been transacted through rural intermediate credit associations, under Part II of the Act, by the granting of loans direct to farmers under Part III of the Act, and by the discounting of promissory notes, or which was under consideration at that date, amounted to £937,999, as compared with £840,301 at the corresponding date in the previous year.

3. For the year ended the 30th June, 1931, loans paid out by the Board under all headings totalled £317,711, whereas the total for the year ended the 30th June, 1932, fell to £127,034. This result was attributable to several factors, the chief being the policy which the Board thought it prudent to adopt under the present