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# RURAL INTERMEDIATE CREDIT BOARD

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

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

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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

unsettled conditions, although it should be made clear that the Board did not decline any account where it appeared that the applicant would have a reasonable prospect of meeting his commitments if the loan were granted. A further factor has been the reluctance of many farmers to undertake fresh development or improvement of their properties even where such action would have resulted in a greatly increased output from the farms, in view of the uncertainty which has existed as to the prices likely to be obtained for the principal classes of primary produce. It is to be feared that much of the fertilizing which is necessary to the maintenance of the productivity of farms, particularly dairy-farms, at a high level has been neglected during the past season from motives of false economy, although the Board has encouraged its borrowers wherever possible to continue the top-dressing of their lands, and has done its utmost to provide the necessary financial facilities for this purpose. The third cause of the decline in the amount of business transacted has been the decision arrived at by the Board in the previous year to give preference to those applications in which the granting of the loans would lead directly to increased production, and as a general rule and in the absence of any special circumstances, to decline to grant loans solely for the purpose of discharging existing liabilities to stock firms, banks, and other financial institutions. It is obvious that with the serious decline in stock values many farmers who in normal times would have been able to raise from the Board loans of sufficient amounts to discharge their existing liabilities and leave a surplus available for the development and improvement of their properties, have been unable to secure the requisite financial accommodation from the Board, as the loans which would have become available on the reduced valuations of the stock would have been not more than sufficient to discharge their existing indebtedness.

4. The Board commences its new financial year with a very adequate supply of available funds which will not only enable it to meet all legitimate requirements by way of new loans or by further advances to existing borrowers for productive purposes, but will also permit it to relax to a certain extent the restrictions hitherto imposed, and to accept a limited number of good accounts having as their object the discharge of existing liabilities to other financial institutions.

5. So far as is consistent with its duty to debenture-holders the Board has given the best possible treatment to its borrowers in all cases where it has been demonstrated that concessions are required to enable them to remain in occupation of their farms and that the concessions are justified. The fact that a large number of borrowers have been able to meet their commitments is evidence of the care which was exercised in the granting of the loans and the close supervision which has been maintained over the accounts of borrowers. From the commencement of the Board's operations all applications have been scrutinized carefully by the central Board or the district boards, and in the case of association loans by the directors of associations, and the policy of not granting a loan unless the applicant is able to offer security showing the usual margin of value, and is able to satisfy the Board that with the assistance of the loan he will be able to meet his commitments, has been amply justified. At the inception of the scheme much criticism was levelled at the conservative valuations obtained by the Board and the lending margin required by it, but it can now be safely said that if the Board had yielded to pressure and modified its attitude in this connection, the results of its operations would have been much less favourable than they fortunately are to-day. The results achieved should convince debenture-holders and intending investors that their interests are receiving and will continue to receive careful protection. From the outset of its operations the Board has borne in mind that if the system is to be made a success a satisfactory flow of money for investment in its debentures must be secured by such careful administration as will justify the confidence of the investing public. That the principles on which the Board has worked are sound is proved by the satisfactory results attained under conditions of unprecedented difficulty, and with a return to normal conditions the Board's debentures should appeal to the investors as a sound and satisfactory form of investment.

6. As is indicated at a later page of this report, the business of the Board has shown an increase under all headings, although the principal expansion has taken

place in the business transacted through rural intermediate credit associations. From present indications it would appear that the Board's operations will, in the majority of the districts, increase mainly through the medium of loans through associations and under the discounting system introduced by the Board.

### ADMINISTRATION.

7. *Meetings of Board and Local Committee.*—The Board has met monthly usually on the second Friday of the month for the consideration of matters of policy and a review of the operations of the Board and its Local Committee. The Local Committee, consisting of three members of the Board resident in Wellington, has met weekly when necessary to consider matters requiring prompt attention such as loan applications and matters affecting loans, consent to the registration of rural intermediate credit associations, the appointment of valuers and the acceptance of guarantees and endorsements of companies under Part III of the Act and under the Board's discounting system. During the year twelve meetings of the Board and thirty-five meetings of the Local Committee were held.

8. *District Boards.*—During the year forty-one meetings of district boards were held, the number of meetings varying in the different districts according to the volume of business calling for attention. The main matter dealt with by district boards was the granting of loans not exceeding £250 in amount, but the boards also rendered valuable assistance in giving advice on matters affecting their districts or the working of the system generally, and as in previous years the services of the members of the district boards call for an expression of sincere appreciation on the part of the Board. Where the number of applications for loans received did not warrant the calling of a board meeting the applications were circulated to the members and their decisions obtained by correspondence. The Board has extended the system of delegation already inaugurated, thus increasing the powers of district boards. The powers entrusted to committees of district boards have also been augmented.

Mr. Patrick James Small, a member of the Manawatu-Wellington District Board, died during the year, and was succeeded by Mr. David Buchanan, of Tiakitahuna, a well-known farmer, who is also a member of the councils of the New Zealand Pig Breeders' and Ayrshire Breeders' Associations, a member of the committee of the Agricultural and Pastoral Association, and a director of the Kairanga Dairy Co., Ltd. The Board records its regret at the loss of Mr. Small, who had been a member of the district board since the inception of the scheme and had rendered useful service.

Changes also took place in the personnel of the Wairarapa, South Canterbury, and Southland District Boards. Mr. Thomas Moss, after a period of absence from the Dominion, resumed his seat on the Wairarapa District Board in February last, Mr. George Henderson Hodd, of Pahiatua, having acted as a member of the district board during Mr. Moss's absence. Mr. Benjamin Cochran, on his transfer from the South Canterbury district, resigned his position on the South Canterbury District Board, the vacancy being filled by the appointment of Mr. Charles Edward Shallcrass of the staff of Pyne, Gould, Guinness, Ltd., and President of the South Canterbury Woolbrokers' and Stock Auctioneers' Association. Mr. John Macdonald, Commissioner of Crown Lands for the Southland Land District, retired from that position during the year and resigned from the Southland District Board, being succeeded by Mr. Bernard Charles Alton McCabe, the present Commissioner of Crown Lands for the district.

The Board desires to place on record its sincere appreciation of the valuable services rendered by the retiring members of the district boards.

9. *Executive Work.*—The senior officers of the Public Trust Office continued to act as executive officers of the Board, and District Public Trustees and District Managers of the Office also acted as District Intermediate Credit Supervisors and District Officers respectively. The arrangement under which the Public Trust Office acts as agent of the Board has proved very satisfactory in every way, and a suitable charge for the services rendered has been agreed upon without difficulty between the Board and the Public Trustee.

## PUBLICITY.

10. The Board has availed itself of every opportunity of making the system more generally known, and in particular bringing its advantages to the notice of the farming community. Branch officers have willingly supplied all requisite information to inquirers, and where desired the services of officers have been made available for the purpose of addressing meetings of farmers convened with the object of receiving information in respect of the system. Six meetings of this nature were addressed during the year. In this connection the Board has received valuable assistance from the New Zealand Farmers' Union, Inc., and its branches throughout the Dominion, the majority of the meetings referred to having been arranged by branches of the union. The Union has also kept its members supplied from time to time with information regarding the progress and development of the system furnished to it by the Board.

The Board has printed and issued a pamphlet containing an outline of the provisions of the legislation governing the scheme and a summary of the procedure to be followed in applying for loans. The pamphlet has proved of great use to intending borrowers, giving as it does all necessary information in a concise form, and its use has conserved the time of branch officers, who previously found it necessary to spend considerable time in interviewing inquirers.

The Board is again indebted to the press throughout the Dominion for their action in publishing reports of the Board's monthly meetings and also other information relating to the Board's operations from time to time. Valuable publicity has been given in connection with the conferences of associations held during the past year.

The Board has issued to the executives of all dairy companies a circular letter giving full particulars of the various modes under which moneys may be obtained from the Board by farmers, and explaining the procedure necessary to make applications. The co-operation of the dairy companies in the working of the scheme has been most valuable.

## GENERAL POLICY AND PROCEDURE.

11. Generally speaking, the Board's policy and procedure are now well defined, but extensions and modifications are rendered necessary from time to time by the further development and extension of the system. The following matters which have engaged attention during the past year should be mentioned.

12. *Periodical Review of Accounts.*—As a result of the discussion held with directors of associations in sheep-farming and grain-growing districts, it became apparent that it would be advantageous if all accounts of sheep-farmers and grain-growers were reviewed annually, and the suggestion has been made by the Board to those responsible for the administration of the accounts that this practice should be observed. The need of special review in the case of dairying accounts is not so essential, as effective knowledge of the position of the account is obtained through the receipt of the periodical deductions from the cream cheques. Where, however, any dairying account appears to be not entirely satisfactory, it will be specially reviewed. The reviews will enable directors of associations, members of district boards, and District Supervisors to keep in touch generally with the accounts in their districts, and should have a useful effect upon the working of the system.

13. *Further Advances for Seasonal Expenditure.*—Although as a general principle the Board reserves to itself the power to grant further advances (except in the case of loans not exceeding £250 in amount), it has been found desirable to make special arrangements to ensure that applications made by borrowers, particularly those engaged in sheep-farming and grain-growing, for further advances to meet seasonal expenditure such as shearing and harvesting expenses and the cost of planting winter feed, shall receive prompt consideration. The Board has accordingly delegated to district boards and District Supervisors the power to approve of such further advances for such purposes on the recommendation of the directors of associations or with the approval of guaranteeing companies, as the case may be.

14. *Insurance on Wool and Crops.*—In a number of cases the Board holds security over wool and growing crops, and has now adopted the policy that if this security is relied on to a substantial extent borrowers will be required to effect insurance—

(a) On wool from sheep's back until it reaches the woolbrokers' stores when for sale in New Zealand, or from sheep's back to London when it is shipped for sale there.

(b) On crops for a definite and sufficient period to cover them from the ripening stage until delivery to the buyer.

15. *Lessor's Right of Distress.*—Where stock offered to the Board as security is depasturing on leasehold land, it is essential that the Board should protect itself against loss through the right of the lessor to distrain on the stock for arrears of rent to a certain extent and to ensure that the Board's right to realization of the security in case of default under the loan is not defeated by prior action on the part of the lessor. The Board has decided that it will, in all except special cases, require the lessor either to waive the right of distress or to guarantee the loan granted. If one or other of these conditions cannot be complied with, the loan will not be granted. Where stock is depasturing on Native leasehold property the position is rendered more difficult through the inability to obtain waivers of the right of distress or guarantees of the loan by the lessors. Each such case is considered by the Board on its merits, and if adequate protection against distress can be obtained in some other way, the loan is allowed to proceed. It was previously the Board's practice to endeavour to obtain protection by collecting the rental under orders on the cream cheques and paying it to the lessors, but this method proved unsatisfactory in practice, as it was found that in some cases the requisite protection was not assured. This practice will therefore be followed only in special cases in future.

16. *Implements and Machinery.*—It has been found necessary to discount largely the value of implements and machinery for security purposes, as it has been the Board's experience that prices realized for implements and machinery at sales did not approach the values placed upon the implements and machinery by the Board's valuers when the loans were granted. The Board has directed that implements and machinery shall be valued for loan purposes at "clearing sale" values in future.

17. *Repayment of Loans.*—It has been explained in previous reports that the Board's loans are made repayable upon demand, but that subject to this paramount requirement arrangements are made for periodical reductions and that the usual practice is to require one-fifth of the loan to be repaid in each year, provision thus being made for full liquidation of the amount within the maximum period of five years allowed by the Rural Intermediate Credit Act. It is realized, however, that this rule cannot be rigidly enforced without exception, and that it must be modified in certain cases to meet the ability of the farmers concerned to make the principal repayments. In some cases it is possible to agree to smaller repayments being accepted during the earlier years on the understanding that the repayments will be proportionately increased during the later period of the loan. This provision has proved of value where loans have been granted for developmental purposes and it has been necessary for the borrower to expend considerable amounts in improvements to his property the full benefit of which in the form of increased production is not felt until the later years of the period covered by the loan.

18. *Readvances.*—The Board has delegated to associations, district boards, and District Supervisors the power, subject to certain conditions, of granting to borrowers readvances of the proceeds of stock and produce sold. The delegation was originally limited to readvances not exceeding £50, but during the year the amount was increased to £100, and readvances of that amount may now be granted without the Board's prior approval, so long as the conditions imposed by the Board are complied with.

19. *Sales of Stock.*—Where the Board holds an instrument by way of security over the stock it is entitled to receive the proceeds of all sales, and it insists on this requirement being fully observed. In the few cases which occurred during the year where stock under security was sold and the proceeds were not accounted for to the Board, appropriate action was taken to protect the Board's interests and to warn the borrowers and stock companies concerned against any repetition of such failure to account.

### LOANS FOR THE PURCHASE OF FERTILIZER.

20. In the previous report it was stated that the Government had made available to the Board for administration a sum of £100,000 to assist farmers to purchase fertilizer on easy terms, and the conditions upon which loans were to be made were set forth. The demand for assistance was not as great as had been expected, and from 1st July, 1931, to 31st March, 1932, loans totalling only £11,034 were made from the fund. The fund was made available only for the financial year ended the 31st March, 1932, and the Government having informed the Board that no further moneys were to be made available after that date, the granting of loans was suspended. £782 was advanced by the Board prior to 1st July, 1931, so that the total advances from the fund amounted to £11,816. Several companies and firms assisted their clients and suppliers to obtain loans from the special fund by providing the 50 per cent. guarantee required as one of the alternative conditions to the granting of loans.

### CO-OPERATIVE RURAL INTERMEDIATE CREDIT ASSOCIATIONS.

21. One further association was formed during the year—the Mangonui Association, with headquarters at Kaitaia. The Board's consent to the registration of this association was given on the 6th July, 1931, and registration was effected on the 5th August, 1931. The total number of associations formed and in active operation at the end of the year was forty-one. Since the end of the year two further associations have been formed—the Central Hawke's Bay Association, with headquarters at Waipukurau, and the Mercury Bay Association, in the Mercury Bay district. Proposals are on foot to form further associations in other districts throughout the Dominion. As was mentioned in the previous report, the existing conditions have militated against the formation of additional associations, but it is anticipated that as soon as conditions improve the movement for the formation of associations will receive renewed support from the farming community.

22. *Conferences of Associations.*—During the year it was found possible to arrange two regional conferences of representatives of associations. The Board considered that the expense of holding a general conference for the whole of New Zealand would not be justified, and it was decided, therefore, to arrange regional conferences embracing districts having community of interest. The first conference was held at Hamilton on the 7th March, 1932, and was presided over by Mr. J. N. Massey, M.P., a member of the Board. There were also present representatives of all the associations in the Waikato and South Auckland districts, the members of the Waikato District Board, the Deputy Commissioner of Rural Intermediate Credit (Mr. J. Snell), and the District Intermediate Credit Supervisors, Auckland, Hamilton, and Te Aroha, who are responsible to the Board for the control of the associations in the districts represented. A large volume of business has been transacted by the associations represented at the conference, and there is no doubt that the discussions which took place proved of value to the associations which were represented, and will increase the efficiency of the system in those districts. The associations appreciated the opportunity of discussing questions on which doubt or difficulty existed and of making suggestions at first hand to the representatives of the Board. The second conference was held at Palmerston North on the 4th June, 1932, and was presided over by Mr. Norton Francis, C.M.G., a member of the Board. There were also present representatives of all the associations operating in the Taranaki, Wanganui, Manawatu-Wellington, Wairarapa, and Hawke's Bay districts, the members of the Manawatu-Wellington District Board, the Deputy Commissioner of Rural Intermediate Credit, and the District Intermediate Credit Supervisors controlling the associations in the districts represented. Some of the associations had transacted a large volume of business, and the experience of their directors was most valuable in the consideration of any points of difficulty which arose during the discussion. The opportunity of attending the conference was greatly appreciated by the association representatives, and the results achieved should equal in importance and value those achieved at the Hamilton conference. As a result of the representations made at the conferences, the Board has been able to agree to extend

the powers of associations, district boards, and District Supervisors in directions mentioned elsewhere in this report. In view of the excellent results of the conferences, it is intended to hold further conferences in other centres of the Dominion as opportunity offers.

23. *Deputy Commissioner's Visits.*—In December, 1931, a visit was paid by the Deputy Commissioner of Rural Intermediate Credit (Mr. J. Snell) at the direction of the Board to the Southland, Otago, South Canterbury, and North Canterbury districts for the purpose of conferring with representatives of associations and of the Board in those districts. Mr. John Brown, a member of the Board, was able to be present at the discussions held in the North and South Canterbury districts.

24. *Extended Powers.*—Previously, directors of associations have held delegated power to grant readvances of the proceeds of stock and produce sold up to amounts not exceeding £50, provided that certain conditions imposed by the Board are complied with. As a result of the experience which the directors and secretaries of associations have had over the years during which the system has been in operation, the Board during the year felt justified in increasing the powers of the directors and secretaries, and readvances not exceeding £100 may now be granted by them.

Association loans not exceeding £250 in amount were formerly granted by district boards subject to the Board's usual conditions being complied with and to the usual margins of security being shown. In order to expedite the consideration of applications from associations not exceeding the amount mentioned, the Board during the year delegated the power to grant such loans to committees of district boards consisting in each case of the District Intermediate Credit Supervisor controlling the association and another member of the district board.

25. *Position of Association Loans.*—The directors and officers of associations have, as a general rule, exercised care in the selection of applications for loans, and have maintained close supervision over the position of borrowers, and have conducted reviews of the accounts from time to time. It is gratifying to record that the directors and secretaries of the majority of associations are fully aware of the importance of exercising close supervision over loan transactions, especially during the present period of low prices, and that generally the position of association loans is satisfactory. In three cases only was it necessary to realize securities during the year. In one case the amount owing to the Board was more than received from the sale of the security, but in the two other cases there was a deficiency. In one case the loss was recouped to the Board from the paid-up capital and reserves of the association, but in the other case it has been necessary, after transferring the paid-up capital and reserves, to make a call on the shareholders of the association in order that the liability may be met. The Board has approved of payments in liquidation of the call being spread over a period instead of being insisted on at once.

26. *Directors and Secretaries.*—The directors and secretaries of associations continued to render valuable services to their associations and to the Board and the system generally. The services of the directors are rendered gratuitously, and though it is possible for some associations to pay their secretaries an adequate salary, in other cases the salaries paid do not compensate the secretaries for the work which they carry out or for the time which they give to the business of the associations. The Board fully appreciates the good work for the Rural Intermediate Credit system and for the farming community which is being performed by the directors and secretaries.

A revised list of the directors and secretary-treasurers of the associations operating in the Dominion at the close of the year is published in Appendix II to this report.

27. *Business transacted through Associations.*—The total loans paid through associations during the year was £69,538, as compared with £228,189 for the year ended the 30th June, 1931. In para. 3 of this report the factors responsible for the decrease in the business transacted have been explained.

As at the 30th June, 1932, the amount owing by members of associations after crediting the repayments received under the loans, in some cases extending up to four years, was £294,683. The corresponding amount at the 30th June, 1931, was £314,949. These figures refer to the net investments only.



## DIRECT LOANS.

28. The method of advancing moneys direct to farmers under Part III of the Act by which a guarantee acceptable to the Board is required as collateral security in addition to a mortgage of the borrower's stock and chattels, has proved of benefit to numbers of farmers. This part of the Board's lending system is dependent largely upon the willingness of dairy and other companies to guarantee the loans of their suppliers and clients, and while this method is becoming less popular than the alternative method of borrowing through the medium of rural intermediate credit associations, nevertheless a satisfactory amount of business has been transacted and it is probable that this provision of the Act will continue to be availed of to a considerable extent.

During the year the Board agreed to accept the guarantees of five additional companies, while the limits fixed for the acceptance of the guarantees of five companies were reduced and for adequate reasons six limits were suspended or cancelled. The number of guarantees accepted from the inception of the system to the 30th June, 1932, was sixty-seven.

29. *Position of Part III Loans.*—The position of the loans granted under Part III of the Act is generally satisfactory, though, as might be anticipated, under the present difficult conditions the administration of some individual accounts is causing concern. In only two cases during the year were realizations of Part III securities necessary. In one case the borrower opposed the action of the Board in calling up the loan, but, after fully considering his application for relief, the Supreme Court authorized the Board to proceed with realization. The sale of the stock and implements resulted in a substantial deficiency; but it is not known whether a loss will ultimately be suffered by the Board, as it holds collateral security in the form of a guarantee. In the other case the borrower agreed that it would be impossible for him to continue his farming operations with any prospect of success and a clearing sale of the stock and chattels was arranged by the borrower in co-operation with the Board's representative, with the excellent result that the security realized more than the amount owing to the Board, leaving a substantial surplus for payment to the borrower.

30. *Business transacted under Part III of the Act.*—The loans paid by the Board under Part III for the year ended the 30th June, 1932, totalled £34,277, as compared with £73,562 for the year ended 30th June, 1931.

The amount owing to the Board under this heading at the 30th June, 1932, after crediting the repayments received under the loans since they were granted, was £123,655, as compared with £159,475 at the 30th June, 1931. These figures show only the net investments after crediting the repayments received.

31. *Dairy Companies.*—The Board feels that it should express its appreciation of the action of many dairy companies in supporting with their guarantees applications for loans made by their suppliers. Many of the companies are strongly in favour of the system, and their active support and assistance have been of great value in extending the Board's lending operations. It is felt also that the companies themselves have derived valuable advantages from the system in that the loan-moneys made available have resulted in greater production, and consequently a greater output for the companies concerned, in many cases without any appreciable increase in the fixed operating charges. At the same time the companies are exposed to little risk in granting guarantees in suitable cases as arrangements are made by the Board to collect the interest and instalments of principal payable under the loans by means of deductions from the borrowers' milk cheques.

## DISCOUNTING.

32. This method of obtaining loans has continued to prove popular with farmers who require loans of small amounts for comparatively short periods. The business transacted under this heading during the year showed an increase as compared with that for the previous year. Under the discounting provisions loans granted by the Board are restricted to £200 in amount, and the promissory notes must, in ordinary circumstances, be met within a period of one year. In special cases, however, where the moneys are raised for development purposes the benefit of which is not immediately felt, the Board has agreed to discount notes with a



currency of two years. The loans obtained under these provisions have been chiefly for the purchase of fertilizer and small quantities of additional stock and for meeting current seasonal expenditure. During the year the Board accepted the endorsements of six additional companies while the limits fixed for the acceptance of the endorsement of two companies were increased, four were reduced, and seven for adequate reasons were suspended or cancelled. From the inception of the system to the 30th June, 1932, the Board has accepted the endorsements of fifty-four companies.

33. *Alterations in Procedure.*—As mentioned in the Board's report for the year ended the 30th June, 1929, it was previously the Board's practice to allow dairy companies which endorsed promissory notes for discounting with the Board and arranged for appropriate deductions from the suppliers' milk cheques to apply the monthly payments received by them in retiring selected promissory notes, the Board granting rebates of interest on condition that the saving was passed on to the suppliers whose aggregate deductions were applied in retiring the promissory notes mentioned. During the year the Board decided to discontinue this practice, and amounts received from dairy companies are now applied in reduction of the amounts owing under the particular notes to which the repayments refer, and on the maturity of the notes each maker receives an appropriate rebate. The actual effect of the change in procedure so far as the farmers and endorsing companies are concerned will not be important, though a certain saving of work to the secretaries of the endorsing companies and a corresponding increase in the work carried out by the Board will result. For the additional work the Board will not make an increased charge.

Reference has been made in previous reports to the fact that although the Rural Intermediate Credit Act, 1927, authorized companies to guarantee loans under Part III of the Act notwithstanding that the necessary power might not be contained in their memoranda of association, no similar power was conferred on companies of endorsing notes for discounting with the Board. During the year Parliament amended the Rural Intermediate Credit Act, and conferred on companies the power to endorse notes and bills for discounting with the Board, notwithstanding that their memoranda of association might not allow them to do so; but the power may not be exercised unless the companies are authorized by special resolution to exercise it. The discounting provisions are now brought into line with those relating to direct loans, except that before a company may endorse notes or bills for discounting with the Board it is necessary for a special resolution to be passed authorizing the giving of the company's endorsement.

34. *Business transacted.*—The discounts effected during the year totalled £23,193, as compared with £15,894 for the year ended the 30th June, 1931, an increase of £7,299. The total discounts effected from the inception of the scheme to the 30th June, 1932, amounted to £58,691. The total value of notes and bills outstanding at the 30th June, 1932, was £15,733, as compared with an amount of £15,282 at the 30th June, 1931.

35. *Dairy Companies.*—Dairy companies continued to realize the advantages of the discounting system from the point of view of their suppliers, and rendered valuable assistance under this heading. The discounting system is particularly applicable to dairy-farmers, as it enables them to obtain loans of small amounts during the "dead" season of the year and to repay the amounts borrowed during the succeeding production season.

## FINANCE AND ACCOUNTS.

36. The accounting system makes provision for separate records to be kept of advances and transactions of each district board. The accounts of these district boards are incorporated in the central Board's general Profit and Loss Account and Balance-sheet, and a complete record of the Board's transactions is readily available.

Moneys not immediately required for the settlement of loans are temporarily invested and are available immediately they are required. The Board's funds are thus at all times profitably employed.

37. *Accounts to 30th June, 1932.*—The accounts reveal an increase in the gross income of the Board from £23,916 for the year ended 30th June, 1931, to £31,890. This income does not include £7,907 15s. 9d., the income earned by the investments

of the Rural Intermediate Credit Redemption Fund, which is credited direct to the Redemption Fund Account. The interest profits, however, have not increased in proportion to the gross income, the net profit for the year, after setting aside £1,304 to provide for possible losses on advances, amounting to £7,174 2s. 5d., a decrease of £1,162 11s. 10d., as compared with the net profit of £8,336 14s. 3d. for the year ended 30th June, 1931.

The expenditure (including the interest paid on debentures) totalled £24,716, as compared with £20,579 for the previous year. This year's expenditure includes provision for a further £1,304, estimated possible losses on advances, thus raising the amount set aside for this purpose to £2,189, £885 having been set aside last year. The amount required for this reserve has been arrived at after a careful review of all loans, a reserve being provided in every case where the security is considered inadequate. The total amount of the reserve is approximately one-half of 1 per cent. of the Board's investments at 30th June, 1932, and the fact that no greater provision for losses is considered necessary is extremely satisfactory, in view of the present conditions affecting the farming community.

The decrease in the net profit is due to the following causes:—

- (a) As the total investments increase, the proportion of funds used represented by advances from the Consolidated Fund, free of interest, decreases.
- (b) The considerably increased proportion of the investments represented by advances to associations, on which the margin of interest is only one-half of 1 per cent., and the decreased proportion of loans under Part III, on which the margin is 1 per cent. At 30th June, 1932, advances to associations under Part II totalled £294,683, and advances to farmers under Part III, £123,655.
- (c) The large amount of funds in hand during the latter half of the year not required immediately for advances and temporarily invested in Government securities at a lower rate of interest. Temporary investments at 30th June, 1932, were £106,080, compared with £23,400 at 30th June, 1931.

In accordance with section 39 of the Rural Intermediate Credit Act, 1927, the net profit of £7,174 2s. 5d. has been appropriated in equal shares to the Rural Intermediate Credit Redemption Fund and the Rural Intermediate Credit Reserve.

The total investments, including accrued interest as at 30th June, 1932, amounted to £710,206, an increase of £39,647 on the previous year's figure. This total includes the investments of the Rural Intermediate Credit Redemption Fund, which amounts to £161,675.

The present investments of the Rural Intermediate Credit Redemption Fund are derived from—

One-third of advance of £400,000 from the Consolidated Fund under section 16 of the Act .. ..	£	s.	d.
One-half share of profits up to 30th June, 1931, appropriated in accordance with section 39 of the Act ..	133,333	6	8
Interest received and invested and interest accrued to 30th June, 1932 .. .. .	6,538	17	0
	21,803	1	6
	<u>£161,675 5 2</u>		

In addition, the Redemption Fund includes a further sum of £3,587 1s. 3d., representing the half share of profits for the year to 30th June, 1932, plus a small balance of interest, £7 16s. 6d., not yet invested, making a grand total of £165,270 2s. 11d.

The investments in the course of the Board's ordinary business amount to £433,746 4s. 1d., classified as follows:—

	£	s.	d.
Advances to associations under Part II ..	294,682	19	9
Advances to farmers under Part III ..	123,654	19	7
Bills discounted .. .. .	15,408	4	9
	<u>£433,746 4 1</u>		

Temporary investment of funds not required immediately for payment of loans authorized amounted to £106,080.

The figures published in Appendix I to this report show that the volume of advances outstanding or under consideration is considerably less than at the end of the previous year. As the sum of £127,035 has been advanced by the Board in the ordinary course of business during the year, the fact that the net investments have decreased shows that borrowers have made very considerable repayments during the year. This, of course, is in accordance with the terms on which loans are granted, but is particularly satisfactory in view of the difficult financial conditions under which the Board's clients are working.

Owing to the large number of small loans, and the necessity for the greatest care in the investigation of applications and in the supervision of advances upon the security of stock and chattels when granted, the business of the Board must necessarily be somewhat costly to operate. This position was apparently anticipated by Parliament when the provision that the £400,000 to be advanced from the Consolidated Fund was to be free of interest for a period of ten years was included in the statute.

It is due to the use of £266,666 of this sum, free of interest, that it has been possible to show a profit on the year's working.

38. *Issue of Debentures.*—During the year little action has been taken to accelerate the sale of the Board's debentures, as under the ruling conditions additional money was not urgently required. The debentures have, however, been available for sale, and a considerable sum was, in fact, subscribed.

39. *Accounts of Associations.*—The officers of the Board continue to supervise the accounting work of the associations, and in this connection to render assistance to the secretaries when such is necessary.

#### LEGISLATION.

40. *Rural Intermediate Credit Amendment Act, 1931.*—An amendment of the Rural Intermediate Credit Act, 1927, was passed during the 1931 session of Parliament, embodying certain provisions required to facilitate the working of the system. It was found that some dairy companies which desired to assist their suppliers to obtain loans under the Board's discounting system, particularly in connection with the special grant made available by the Government for the purchase of fertilizer, could not do so owing to the absence from their memoranda of association of the power to endorse the requisite promissory notes. It is provided by the amending legislation that any company may, notwithstanding anything to the contrary in its memorandum or articles of association, make, draw, accept, or endorse any promissory note or bill of exchange to be discounted by the Board, provided that the power conferred is not to be exercised until the company by special resolution so determines.

A further section of the amending Act deals with the granting of loans by the Board to trustees. It is provided that such loans may be granted unless the trustees are expressly prohibited by the Act or instrument creating the trust or by any Act or instrument limiting their powers from obtaining such loan. If the loans are obtained through rural intermediate credit associations, trustees may apply for and take up the necessary shares. The liability of a trustee in obtaining a loan and, if necessary, taking up shares in an association is limited to the property subject to the trust for the time being in his possession. For the purposes of the amendment the term "trustee" includes an executor or administrator, a committee or person authorized to administer the estate of a mentally defective person under the Mental Defectives Act, 1911, an administrator under Part III of the Prisons Act, 1908, and a manager under the Aged and Infirm Persons Protection Act, 1912.

41. *Chattels Transfer Amendment Act, 1931.*—The Board made representations to the Government with the object of securing two amendments of the Chattels Transfer Act, 1924, which the experience of the Board had shown to be desirable. The recommendations were accepted by the Government, and the necessary legislation was embodied in the Chattels Transfer Amendment Act, 1931.

It was previously necessary that implements or machinery to be included in a security must be owned by the farmer concerned at the time of the execution of the instrument by way of security, and if they were to be purchased out of loan-moneys it was essential to the validity of the security that the purchase of the implements or machinery and the execution of the instrument should be completed simultaneously. Such a course was not always practicable. The position is now met by section 4 of the Chattels Transfer Amendment Act, 1931, which provides that where an instrument by way of security over any chattels is therein expressed to be given as security for a loan to be expended in whole or in part in the purchase of those chattels, the grantor shall be deemed to have acquired them contemporaneously with the execution of the instrument.

Section 25 of the Chattels Transfer Act, 1924, provides that an instrument by way of security given subject to a defeasance or condition not specified in the instrument shall, under certain conditions, be void to the extent and as against the persons mentioned in section 18 of the Act, but by section 26 an exemption is made in respect of stock, wool, and crops included in any such instrument. By section 5 of the Chattels Transfer Amendment Act, 1931, the exemption is extended to cover tractors, engines, machines, vehicles, implements, and farming plant of every description described in the instrument by way of security and used upon or in connection with any land or premises specified in the instrument.

#### CONCLUSION.

42. Bearing in mind the exceptionally difficult conditions which have prevailed throughout the period under review, the Board feels that the result of the year's working as revealed in this report must be regarded as satisfactory. The organization of the Board is completely established, the relations with borrowers, directors of rural intermediate credit associations, and guaranteeing companies have generally been excellent, and the fact that the Board has been able in a time of unusual difficulty to transact business amounting in all to close on £1,000,000 with negligible loss is a testimony to the care and attention which has been given to the system by all those connected with its administration.

43. The Board has in hand sufficient funds to enable it to meet all legitimate demands likely to be made upon it in the coming year, and will continue to show to borrowers the utmost consideration which is possible in view of the Board's obligations to its debenture-holders. With the return of more prosperous conditions in the farming industry the Board feels that there should be a large scope for the extension and development of its business. It is with pleasure that the Board once again places on record its sincere appreciation of the very valuable services rendered by the officers of the Board, the members of the district boards, and the directors and officers of rural intermediate credit associations. It is only through the services so willingly rendered, often on an entirely gratuitous basis, that it has been possible to achieve the results recorded in this report.

I have, &c.,

(For and on behalf of the Board),

J. W. MACDONALD, Commissioner.

The Right Hon. the Prime Minister.

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## APPENDICES.

## APPENDIX I.

COMPARATIVE STATEMENT OF BUSINESS AS AT 30TH JUNE, 1931, AND 30TH JUNE, 1932.

	1931.	1932.
	£	£
Investments (including loans made and face value of bills discounted) ..	490,482	434,872
Loans granted but not completed .. .. .	35,418	13,831
Applications entertained and in course of consideration .. .. .	17,310	9,560
	<u>£543,210</u>	<u>£458,263</u>

The investments referred to above were made up as follows:—

	£	£
Advances to associations for preliminary expenses .. .. .	776	801
Advances to associations under Part II of the Act .. .. .	314,949	294,683
Advances to farmers under Part III of the Act .. .. .	159,475	123,655
Bills and notes discounted (face value) .. .. .	15,282	15,733
	<u>£490,482</u>	<u>£434,872</u>

The business dealt with by the Board up to the 30th June, 1932, or under consideration at that date reached the total of £937,999, made up as follows:—

	£
Applications under consideration .. .. .	9,560
Loans granted but not completed .. .. .	13,831
Loans paid and bills and notes discounted since the inception of the scheme	914,608
	<u>£937,999</u>

## APPENDIX II.

DIRECTORS AND SECRETARY-TREASURERS OF CO-OPERATIVE RURAL INTERMEDIATE CREDIT ASSOCIATIONS.

## NORTH AUCKLAND DISTRICT.

- Bay of Islands Association* (Headquarters: Kaikohe. Registered 10th September, 1929)—  
 Directors: Herbert Martin Rockell, Kaikohe (Chairman); Hubert Knox Hatrick, Waimate North; William Joseph Pole, Kaikohe; James Gray Ritchie, Kaikohe.  
 Secretary-Treasurer: Kenneth William Harold, Kaikohe.
- Mangonui Association* (Headquarters: Kaitaia. Registered 5th August, 1931)—  
 Directors: Thomas Hislop Kenny, Kaitaia (Chairman); Ellis Robert Bird, Awanui; Thomas James Coulter, Fairburns; Alban Walter Masters, Pukepoto.  
 Secretary-Treasurer: Keith Colebrook Stewart, Kaitaia.
- Northern Wairoa Association* (Headquarters: Dargaville. Registered 9th October, 1928)—  
 Directors: Arthur Leslie Williams, Dargaville (Chairman); George Druitt, Mamaranui; John Irwin, Ruawai; Frank Joseph Johanson, Parore; Henry Polden Walton, Tokatoka.  
 Secretary-Treasurer: William Rogers Worsley, Dargaville.
- Otamatea Association* (Headquarters: Paparoa. Registered 3rd March, 1931)—  
 Directors: Edward Thomas Rodney Coates, Matakoho (Chairman); William Betts, Ararua, Matakoho; Walter James Littin, Kaiwaka; Leonard Ramsbottom, Whakapirau.  
 Secretary-Treasurer: Thomas Casement Aickin, Paparoa.
- Whangarei Association* (Headquarters: Whangarei. Registered 9th April, 1930)—  
 Directors: John Horatio Hayward, Maunu (Chairman); John Breslin, Titoki; Richard Feaver, Maunu; John Jacob Fraser, Maungatapere; Edward Snell Tremaine, Ruatangata.  
 Secretary-Treasurer: Douglas Leith Ross, Whangarei.

## AUCKLAND DISTRICT.

*Helensville Association* (Headquarters: Helensville. Registered 11th October, 1928)—

Directors: James Mackie, Helensville (Chairman); Albert Hanson, Helensville; Herbert Chaplin Henley, Kaukapakapa; Harold Phillip McLeod, Helensville.

Secretary-Treasurer: Frank Taylor, Kaukapakapa.

*Papakura Association* (Headquarters: Papakura. Registered 7th October, 1930)—

Directors: Alexander David Bell, Clevedon (Chairman); John Luke, Clevedon; John Muir, Brookby; William Harold Walters, Karaka.

Secretary-Treasurer: Gordon Fawsitt McDonald, Papakura.

*Waiuku Association* (Headquarters: Waiuku. Registered 12th June, 1928)—

Directors: Colonel Maxwell Aldred, Whiriwhiri (Chairman); Arthur Lansear Hull, Waiuku; David Sands, Pukeoware; Archibald White, Glenbrook.

Secretary-Treasurer: John Murray Heise, Waiuku.

## WAIKATO DISTRICT.

*Hamilton Association* (Headquarters: Hamilton. Registered 7th May, 1928)—

Directors: Walter Cooper-Smith, Frankton Junction (Chairman); Herbert John Coxhead, Claudelands; Charles Edwards, Frankton Junction; Arthur Wallace, Frankton Junction.

Secretary-Treasurer: Thomas Gordon Reynolds, Hamilton.

*Hauraki Association* (Headquarters: Paeroa. Registered 21st July, 1928)—

Directors: Murdo Archibald Carter, Awaitei (Chairman); John Kenneth Dean, Paeroa; Edwin John Charles Townshend, Paeroa; Vivian Young, Hikutaia.

Secretary-Treasurer: Arthur Thomas Jones, Paeroa.

*Huntly Association* (Headquarters: Huntly. Registered 21st January, 1931)—

Directors: William David Thompson, Wakapuaka (Chairman); John Hoyle Furniss, Ruawaro; Harry Simpson Hall, Te Kauwhata; Sydney Spencer, Waiterimu.

Secretary-Treasurer: William Gaitt Clavis, Huntly.

*Katikati Association* (Headquarters: Tauranga. Registered 18th September, 1929)—

Directors: Samuel Charles Baron, Aongatete (Chairman); Robert John Black, Katikati; David Charles Douglas Thomas, Aongatete; Marcus Nicholson Trotter, Aongatete.

Secretary-Treasurer: Alfred John Gallagher, Tauranga.

*Matamata Association* (Headquarters: Matamata. Registered 12th September, 1930)—

Directors: Henry Rollett, Matamata (Chairman); Daniel Robert Gunn, Matamata; Hector Sutherland, Okauia, Matamata; Edmund David Whyte, Putaruru.

Secretary-Treasurer: Thomas James Underwood, Matamata.

*Morrinsville Association* (Headquarters: Morrinsville. Registered 22nd September, 1928)—

Directors: George Henry Pirrit, Morrinsville (Chairman); John Henry Gaddes, Morrinsville; Frederick Chafe Kennedy, Morrinsville; Frederick William Seifert, Morrinsville.

Secretary-Treasurer: Joseph Lewis Faulkner, Morrinsville.

*Otorohanga Association* (Headquarters: Otorohanga. Registered 21st June, 1928)—

Directors: Herbert Arthur Lurman, Otorohanga (Chairman); John Byrnes, Otorohanga; George Dixon Hall, Otorohanga; Jens Christen Petersen, Otorohanga.

Secretary-Treasurer: John Francis Trapski, Otorohanga.

*Rangitaiki Association* (Headquarters: Whakatane. Registered 29th October, 1929)—

Directors: William Alexander McCracken, Whakatane (Chairman); Ian Burman Gow, Edgecumbe; James Palmer, Whakatane; Walter Reid, Taneatua.

Secretary-Treasurer: Clement Arthur Suckling, Whakatane.

*Rotorua Association* (Headquarters: Rotorua. Registered 13th January, 1930)—

Directors: Thomas Jackson, Rotorua (Chairman); Joseph Everard Martin, Rotorua; Robert Charles Russell, Rotorua; Thomas Alexander Turner, Rotorua.

Secretary-Treasurer: Gordon McDowell, Rotorua.

*Taumarunui Association* (Headquarters: Taumarunui. Registered 18th October, 1928)—

Directors: Arthur Wesley King, Taumarunui (Chairman); Joseph Fry, Owahango; Geoffrey John Hammond, Owahango; George Peterson, Taumarunui.

Secretary-Treasurer: William Alexander Nisbet Campbell, Taumarunui.

*Te Aroha Association* (Headquarters: Te Aroha. Registered 23rd November, 1928)—

Directors: John David MacKay, Waihou (Chairman); Frederick Ernest Hughes, Waharoa; John Dennerly Johns, Te Aroha; Peter Alexander Swney, Waihou.

Secretary-Treasurer: Horace Rowbotham, Te Aroha.

*Te Awamutu Association* (Headquarters: Te Awamutu. Registered 12th June, 1928)—

Directors: Charles Monrath Alexander, Te Awamutu (Chairman); James George Sutherland, Kihikihi; Walter Frederick Woodward, Te Awamutu; James Gladwin Wynyard, Te Awamutu.

Secretary-Treasurer: James Gladwin Wynyard, Te Awamutu.

*Te Kuiti Association* (Headquarters: Te Kuiti. Registered 11th July, 1928)—

Directors: James Nicol Boddie, Te Kuiti (Chairman); Robert Bell Cole, Te Kuiti; John Christopher Rolleston, Te Kuiti; Alexander John Sutherland, Te Kuiti.

Secretary-Treasurer: Albert William Whyte, Te Kuiti.

*Te Puke Association* (Headquarters: Te Puke. Registered 8th October, 1929)—

Directors: Henry Joclyn Gill, Te Puke (Chairman); Walter John Griffin, Te Puke; Charles Lewis Luke, Te Puke; Donald Stanley Ross, Te Puke.

Secretary-Treasurer: Henry Thomas Cashmore, Te Puke.

## HAWKE'S BAY DISTRICT.

- Northern Hawke's Bay Association* (Headquarters: Hastings. Registered 21st October, 1930)—  
 Directors: John Henry Joll, Havelock North (Chairman); John Livingston, Maraekakaho;  
 John Anderson Miller, Hastings; Richard Edward Talbot, Ngatarawa.  
 Secretary-Treasurer: Walter Edwin Bate, Hastings.
- Southern Hawke's Bay Association* (Headquarters: Dannevirke. Registered 24th June, 1930)—  
 Directors: Ralph Searle Chadwick, Dannevirke (Chairman); James Doyle, Maharahara; Archibald William Montgomerie, Norsewood; Harold Alexander Olsen, Norsewood.  
 Secretary-Treasurer: Marcus David Smith, Dannevirke.

## TARANAKI DISTRICT.

- Kaimata Association* (Headquarters: Inglewood. Registered 1st October, 1928)—  
 Directors: Henry Jones, Kaimata (Chairman); Alfred Maurice Allen, Inglewood; Alfred Corkill, Tarata; John Klenner, Kaimata.  
 Secretary-Treasurer: Ian Percy Grant, Inglewood.
- North Taranaki Association* (Headquarters: New Plymouth. Registered 19th July, 1928)—  
 Directors: Charles Joseph Harris, Oakura (Chairman); William Jones, Okoke; Roderick David Spence, Omata; William Henry Whittaker, Okoke.  
 Secretary-Treasurer: Dann Le Cren Morgan, New Plymouth.
- South Taranaki Association* (Headquarters: Hawera. Registered 21st March, 1928)—  
 Directors: John Cocker, Eltham (Chairman); Louis Frank Bell, Mokoia; Ernest Samson Bennett, Manaia; Robert Joseph McCormack, Mangatoki.  
 Secretary-Treasurer: Edward Knowles Cameron, Hawera.
- Stratford Association* (Headquarters: Stratford. Registered 25th July, 1929)—  
 Directors: Alfred David, Stratford (Chairman); Ernest Albert Adlam, Waipuku; Herbert James Shrimpton, Lowgarth; William George Thurston, Stratford.  
 Secretary-Treasurer: Robert Reid Tyrer, Stratford.

## WANGANUI DISTRICT.

- Waimarino Association* (Headquarters: Ohakune. Registered 10th October, 1928)—  
 Directors: George James Goldfinch, jun., Ohakune (Chairman); Louis Fetzer, Ohakune; Arthur Benjamin Harris, Raetihi; James Vincent Ranger, Ohakune.  
 Secretary-Treasurer: Ira Valor Allan Dobbie, Ohakune.

## MANAWATU-WELLINGTON DISTRICT.

- Horowhenua Association* (Headquarters: Levin. Registered 29th October, 1928)—  
 Directors: Robert Gillics Wall, Kuku, Ohau (Chairman); Raymond Vickers Brown, Weraroa; Harold James Lancaster, Levin; Ronald Joseph Law, Shannon.  
 Secretary-Treasurer: George Dacre Hamilton, Levin.
- Oroua Association* (Headquarters: Feilding. Registered 7th June, 1928)—  
 Directors: Walter Lough Grice, Cunningham's (Chairman); John Bernard Bradley, Feilding; John Harold Mason, Feilding; George Watt, Kimbolton.  
 Secretary-Treasurer: Thomas Leonard Seddon, Feilding.

## WAIRARAPA DISTRICT.

- Pahiatua Association* (Headquarters: Pahiatua. Registered 1st October, 1930)—  
 Directors: James Henderson Bremner, Ballance (Chairman); Edward Leighton Lloyd, Hamua; Joseph Edward Murphy, Pahiatua; Edward Russ Winkler, Makairo.  
 Secretary-Treasurer: Stanley Keith Siddells, Pahiatua.
- Wairarapa Association* (Headquarters: Masterton. Registered 11th December, 1928)—  
 Directors: Alexander Ross, Longbush (Chairman); Kenneth Groves, Longbush; Charles Churchill Jackson, Kopuaranga; James Miller Laing, Tinui.  
 Secretary-Treasurer: James Watson, Masterton.

## NORTH CANTERBURY DISTRICT.

- Canterbury Association* (Headquarters: Christchurch. Registered 4th July, 1930)—  
 Directors: William Walter Mulholland, Darfield (Chairman); John Dryden Hall, Hororata; Colin McIntosh, West Eyreton; Robert Thomas McMillan, Irwell.  
 Secretary-Treasurer: Llewellyn Bowden Freeman, Christchurch.
- Mid-Canterbury Association* (Headquarters: Ashburton. Registered 24th July, 1929)—  
 Directors: Henry Charles Bayly Withell, Ealing (Chairman); James Carr, Methven; Alfred Gregory, Seafeld; William Thomas Lill, Willowby.  
 Secretary-Treasurer: Edward James O'Brien, Ashburton.

## OTAGO DISTRICT.

- South Otago Association* (Headquarters: Balclutha. Registered 20th May, 1930)—  
 Directors: Henry Cecil Holgate, Balclutha (Chairman); John Christie, Warepa; Andrew Alexander Jensen, Inchclutha; Fred Waite, Balclutha.  
 Secretary-Treasurer: John Thomas Walter, Balclutha.



*Tapanui Association* (Headquarters : Tapanui. Registered 18th October, 1928)—

Directors : Edward Henry Murney, Tapanui (Chairman) ; Alfred Squires Herbert, Kelso ; Mark McAuley, Tapanui ; Arthur James Stuart Sim, Heriot.

Secretary-Treasurer : William Benjamin Naylor, Tapanui.

SOUTHLAND DISTRICT.

*Central Southland Association* (Headquarters : Invercargill. Registered 12th January, 1929)—

Directors : David Teviotdale, Isla Bank (Chairman) ; Robert Beggs, Wright's Bush ; John James Blakie, Ryal Bush ; Andrew Hannah Hall, Thornbury ; Thomas McKénzie, Wright's Bush.

Secretary-Treasurer : Eric Henry James Preston, Invercargill.

*Eastern Southland Association* (Headquarters : Invercargill. Registered 4th June, 1930)—

Directors : Peter Arnott, Seaward Downs (Chairman) ; Matthew Lawson Fallow, Fortification ; Robert Gibb, Menzies Ferry, James Milne, Kapuka.

Secretary-Treasurer : Adam Laurence Adamson, Invercargill.

*Mataura Association* (Headquarters : Mataura. Registered 13th May, 1929)—

Directors : Henry Cockburn, Mataura (Chairman) ; Francis Wilson Hamill, Ferndale ; Angus MacKay Robertson, Mataura ; Donald Wight, Tutarau.

Secretary-Treasurer : Charles Harold Hargest, Mataura.

*Northern Southland Association* (Headquarters : Gore. Registered 22nd July, 1930)—

Directors : Ernest Wardlaw Stevens, Balfour (Chairman) ; Alexander John Cameron, Wendon-side ; Franklyn Gluyas, St. Patricks ; Frank Walker, Waipounamu.

Secretary-Treasurer : Robert Stewart Green, Gore.

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