

1934.

NEW ZEALAND.

RURAL INTERMEDIATE CREDIT BOARD

(REPORT OF THE) FOR THE YEAR ENDED 30TH JUNE, 1934.

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

SIR,—

Wellington, 3rd October, 1934.

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, 1934.

1. It is inevitable that the conditions which rule in the farming industry from time to time shall affect both the volume of business transacted and the development of the Board's policy.

2. When the Board commenced lending early in 1928, the industry was in a reasonably prosperous condition, and this position continued during the earlier years of the Board's operations. Latterly, however, farmers have experienced difficulty in meeting their commitments because of the reduced prices received for primary produce of all classes. The adverse conditions at first affected sheep-farmers, but, later on, dairy-farmers also suffered. The sheep-farmers have experienced at least a partial recovery from the period of unsatisfactory returns, but the dairy industry is still obtaining low prices for produce. The Board's business has been confined principally to these classes of farmers, only a small number of loans having been granted to grain-growers and farmers engaged in "mixed" farming.

3. During the first three complete years of the Board's operations the business increased rapidly, but since then there has been a falling-off, the reduction for the year ended 30th June, 1933, being very marked. The retardation of the rate of increase of new business must be ascribed mainly to the reluctance of farmers to incur further liabilities in a period of low prices for farm produce. As a general rule, farmers feared to borrow even for developmental work because of the doubt whether the outlay would be recouped by the additional returns received. The reduction of the values of stock consequent on the fall in the revenue received also adversely affected the amounts which could be made available on loan. The decline in the net investments has been occasioned in part by the manner in which the borrowers have made their repayments, the amounts repaid having exceeded the total of loans paid over.

4. It is satisfactory to record, however, that during the past year the new business has shown an increase over that for the previous year, this result being no doubt attributable to some extent to the improvement of the conditions in the sheep-farming industry, although the greater part of the increase is due to new business obtained from dairy-farmers, notwithstanding that the prices received for their produce were almost the same as those received during the preceding year. For the year ended 30th June, 1934, loan-moneys advanced by the Board under all headings totalled £78,417, as compared with £72,154 for the year ended 30th June, 1933. It seems probable that any material increase in the value of dairy-produce would be reflected in a substantial expansion of the Board's lending business.

5. The total amount advanced by the Board to the 30th June, 1934, is £1,065,179, and, the net investments being at that date £274,963, borrowers have repaid the sum of £790,216, or slightly in excess of 74 per cent. of the amount lent, of which nearly two-thirds has been repaid in the last three years. The arrears of interest owing as at the 30th June, 1934, amounted to the small sum of £317 only. This

is a very creditable achievement under the conditions which have existed in the industry, and would serve to indicate that borrowers from the Board have not, as a general rule, required to avail themselves of the provisions of the Mortgagees Relief Act. Although a few applications have been made against the Board or associations, only in isolated cases has the Court granted relief which the Board would not have been prepared to grant voluntarily without recourse to the procedure laid down under the Act. During the year the Board adopted a standard form of agreement negotiated by the Public Trustee with the principal stock and station agents providing for an equitable distribution of surplus revenue from farming properties between the mortgagees of land and mortgagees of stock. This agreement subsequently appeared in the First Schedule to the Mortgagees and Tenants Relief Act, 1933, as one of the forms set out for the guidance of the Court in making orders on applications for relief.

6. The Board has fully realized that repayments fixed when the value of farm-produce was greater cannot be maintained when lower values are ruling, and has considered on their merits all applications made by borrowers for relief. Numerous concessions have been granted, and the aim of the Board has been to administer the system sympathetically so far as this can be done without impairing the security of debenture-holders.

7. Both borrowers and associations have expressed appreciation of the attitude adopted by the Board and the assistance given, and it is a matter for gratification that the Board has been able to build up an organization which, while fully protecting the interests of debenture-holders, has been able in times of stress to ease conditions to a reasonable extent for the benefit of farmer borrowers. The Board has met changing conditions by revision of its policy from time to time, and has endeavoured consistently to increase the usefulness of the system.

8. During the year a Royal Commission was appointed to investigate the position of the dairy industry and make recommendations having for their object the improvement of the position of the dairy-farmer. An account of the Board's operations was presented to the Commission, and the value of the system and the advantages it offers were brought under notice. It is hoped that as a result of the Commission's investigations the position of the industry will be improved and that added scope will be offered for an extension of the system with further benefit to individual farmers.

DELEGATIONS TO DISTRICT ORGANIZATIONS.

9. The Board recognizes that to ensure the success of the system there must be decentralization, and it has accordingly carried out a policy of gradual delegation of powers to its district representatives, district boards, and co-operative rural intermediate credit associations. Chattels securities, which form the main class of security accepted by the Board, need constant supervision if the loan-moneys are to be protected, and this supervision can be provided only by the district organizations. It is in this respect particularly that the co-operative rural intermediate credit associations and district boards have proved so valuable. In the consideration of applications for loans, also, local knowledge of the applicant and of the property concerned are very important. The stage has now been reached where a substantial portion of the administration work is carried out in the districts.

10. At the commencement of its operations the Board retained to itself the consideration of all applications for loans, but as soon as the general policy regarding the classes of security acceptable, the margins of security, the terms of repayment, and the other safeguards required had been defined it delegated to district boards the power to grant loans up to £250, subject to the general requirements being complied with.

11. The Board subsequently entrusted to District Supervisors, district boards, and associations the power of granting to a limited extent refunds of proceeds received from sales of stock and produce. The powers of the district organizations have been extended from time to time, and only in isolated cases where the amounts involved are large is the Board's approval required. During the year under review the Board authorized District Supervisors in respect of Part III loans to make readvances of the proceeds of sales of stock up to £25 for any purpose.

12. In April, 1932, committees of district boards, consisting of the District Supervisor and one other member, were authorized to approve any loans up to £250 in amount if they were unanimously recommended by the directors of associations. Permission has also been given for directors of associations to grant further advances not exceeding £50 to any one borrower.

13. The Board recently increased to £350 the maximum amount up to which district boards and committees thereof may grant loans. Where the Board's usual requirements are complied with, the only loans submitted for the Board's approval are those exceeding £350 in amount. Further advances may be granted by the district board or a committee, provided they do not increase the total amount owing beyond £350. If it is desired that the usual requirements be departed from in any particular cases, the applications must be submitted to the Board.

14. District organizations may also, subject to compliance with certain conditions, approve temporary further advances for essential seasonal expenditure where it is necessary that if the farming operations are to continue the advances should be made immediately, even though the Board's usual requirements cannot be complied with. Advances under this heading are usually made for the meeting of expenses for shearing and harvesting or the planting of winter feed.

15. The Board has also from time to time varied its policy relating to the fixing of repayments and the granting of concessions involving the postponement or reduction of principal repayments. It is the practice to fix repayments by dairy-farmer borrowers for the whole of the term of the loans, and formerly, where reductions were required in the annual repayments fixed, the approval of the Board was necessary; whilst in the case of repayments by sheep-farmers, which are fixed from year to year, a repayment for any year of less than one-fifth of the amount of the loan could not be accepted without the Board's approval. Later the limit of one-fifth was reduced to one-tenth. During the past year the Board reconsidered the delegations made in respect of the fixing or reducing of repayments. It cancelled the then existing powers, and decided to allow repayments to be fixed as set out hereunder; the term "the fixing of repayments" to include the reduction of repayments already fixed:—

District Supervisors on the recommendation of directors in respect of association loans, committees of district boards in respect of direct loans, and district boards may—

- (a) Fix repayments of not less than one-tenth of the loans:
- (b) Fix repayments of less than one-tenth if the amount owing has not at any time exceeded £350.

The Board still considers that a repayment of one-tenth or more should usually be possible, and where the amount owing has at any time exceeded £350 and it is desired that a repayment of less than one-tenth should be fixed a reference must be made to the Board. All other cases may be dealt with by the district organizations.

16. Stated briefly and generally, the position now is that loans not exceeding £350 are administered almost wholly in the districts, subject to the general supervision and control of the Board. Copies of all decisions of the district organizations to increase the loans or to fix or vary annual repayments are received at the Head Office and perused to ensure that the decisions comply with the Board's policy and directions. Loans exceeding £350, whilst they are administered in the districts, must be approved and periodically reviewed by the Board.

17. All of the delegations referred to have been approved after the Board has been satisfied that the powers conferred would be exercised with care and discretion by the district organizations, and in every case such conditions as experience has shown to be essential for the safeguarding of the funds have been imposed. If any departure from the conditions stipulated is involved, the matter may not be dealt with under the delegated powers.

18. It is the Board's experience that the delegated powers have as a rule been exercised in accordance with the requirements, and in only comparatively few cases has there been any departure from the conditions imposed. It is apparent that the district organizations as a whole recognize their duties and responsibilities in the matter and are doing their part in ensuring the success of the system and in creating confidence in the administration of the system.

GENERAL POLICY.

19. The following variations of general policy were agreed upon during the year :—

Margins of Security.—When the Board commenced operations it decided, after consulting its district boards, to fix percentages of value of different classes of stock as a guide to the amounts which it would normally be prepared to lend on the security of the stock. The margins fixed were 70 per cent. for sheep and 50 per cent. for other stock and implements and machinery, but where implements and machinery formed a large proportion of the security the margin of value adopted was reduced to 30 per cent. On reconsideration of the position during the year the conclusion was arrived at that on the basis of the increased prices being paid for sheep it would not be prudent to lend up to 70 per cent. of the current values, while, on the other hand, because of the low values being assigned to dairy cattle, it would be reasonable to increase the percentage allotted to this class of stock. It was decided to fix the percentage of values for both sheep and dairy cattle at 60 per cent., while those for other classes of stock and for chattels remained unchanged.

Repayments.—When the Board commenced operations it decided upon five years as the maximum term for loans, the Rural Intermediate Credit Act, 1927, clearly indicating that this was the intention of Parliament. Prevailing conditions have rendered essential from time to time variations of this period, and a discretion in respect of repayments was conferred upon the Board by an amendment of the Act, which was effected by section 31 of the Finance Act, 1932–33 (No. 2). It is still the intention that the five-year period should apply wherever possible, but if a variation of it is shown to be necessary in any particular case after a loan has been granted the Board is able to take all the circumstances into consideration and deal with the matter entirely on its merits without legislative restrictions.

An explanation of the development of the policy relating to the fixing of repayments will be of interest. In the early stages of its operations the Board aimed at obtaining full repayment of loans within five years, and if further advances were granted the annual repayments were increased to provide for the liquidation of the loans and further advances within the original five years. To meet cases where repayment on this basis would be beyond the capacity of the borrowers, it was decided to provide for two other methods of fixing repayments. Where on the granting of a further advance the repayment could be increased, but not to an extent sufficient to discharge the loan and the further advance within the original five years, the position was met by allowing a new five-year period within which to repay the further advance, the repayments under the original loan continuing as already fixed. Experience showed that this modification did not meet the position in every case, and it was therefore necessary to provide for borrowers who could not meet increased repayments and who, in some cases, while requiring further advances, could meet only reduced repayments. The Board agreed to allow five years from the date of the granting of the further advance for repayment of the advance and the balance of the original loan. The Board has directed that these two methods are to be adopted only where it is demonstrated that repayment on the original basis would be impracticable. As has been explained under the heading “Delegations to District Organizations,” the fixing of repayments and the reduction of repayments already fixed has been delegated largely to those organizations.

It should be made clear that all the Board's loans are repayable on demand, and it is only subject to this paramount requirement that the loans are deemed to be repayable by annual instalments.

Orders on Milk Cheques.—It has been the Board's practice to insist on repayments and interest under loans to dairy-farmers being secured by assignments of the milk cheques by way of first charge, and only in exceptional cases have these been dispensed with. In support of representations to the Board that the requirement might be relaxed to some extent, and second charges accepted in some cases, it was pointed out that the practice of lessors and mortgagees of land obtaining

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.

Nelson: Mr. George Newman Hunt died on the 28th February, 1934. Mr. Hunt had been a member of the Nelson District Board since its appointment, and had rendered valuable service to the system and the farming industry. The Board and the district board have conveyed their sympathy to Mrs. Hunt.

Taranaki: Mr. Edward Long tendered his resignation owing to his temporary absence from New Zealand for reasons of health. He had been a member of the district board since its appointment, and the Board and district board placed on record their sincere appreciation of the assistance rendered during his period of office. Mr. Samuel Blake, who had previously been a member of the district board but who had found it necessary to resign on account of ill health, was reappointed to the board to fill the vacancy.

The vacancies on the Hawke's Bay and Nelson District Boards have not been filled.

Meetings of the respective district boards are held only as frequently as is warranted by the volume of business transacted in the districts and the number of matters in hand for consideration, so that the numbers of meetings held in any one year differ in the various districts. Twenty-nine meetings of district boards throughout the Dominion were held during the year.

The Board again records its appreciation of the excellent manner in which the members of district boards have carried out the work entrusted to them. A debt of gratitude is due to them by the members of the farming industry for the time spent in the interests of their fellow-farmers, on a basis which, viewed commercially, is practically gratuitous.

23. *District Intermediate Credit Supervisors.*—The following appointments were rendered necessary by staff changes in the Public Trust Office:—

Mr. E. Collins, Head Office staff, as District Intermediate Credit Supervisor, Nelson, in succession to Mr. A. Bell, transferred to Head Office.

Mr. F. H. Muirhead, Deputy District Intermediate Credit Supervisor, Palmerston North, as District Intermediate Credit Supervisor, New Plymouth, in succession to Mr. D. L. McKay, resigned.

24. *Conference of Executive Officers and District Supervisors.*—A conference of executive officers and District Supervisors was held at Wellington on the 5th and 6th September, 1933, and was presided over by the Deputy Commissioner. The District Supervisors at Auckland, Christchurch, Hamilton, Hawera, Invercargill, Masterton, Napier, Palmerston North, Te Aroha, and Whangarei were present at the conference.

The time available was limited, but useful discussions took place on a number of matters affecting the administration of the system, and resulted in the submission of a number of recommendations to the Board, which were later approved. The conference provided a valuable opportunity for the meeting of the district representatives and the executive officers of the Head Office for an exchange of views on matters of policy and procedure. It is evident that such conferences could, with advantage to the system, be arranged periodically.

25. *Delegated Powers.*—The powers of District Supervisors and district boards were extended during the year in respect of the granting of loans, further advances and readvances, and the fixing of and reduction of repayments.

26. *Executive Work.*—The Rural Intermediate Credit Act authorizes the Board to utilize the services of any Department of State in carrying out any of its functions. The Public Trustee, the principal executive member of the Board, made the organization of the Public Trust Office available for the conduct of the administration work, and the senior officers at the Head Office have acted as executive officers of the Board and District Public Trustees and District Managers have acted as District Intermediate Credit Supervisors and District Officers respectively. This arrangement has continued to prove a very suitable one, and on several occasions the Board has expressed satisfaction with the manner in which the administration has been conducted.

PUBLICITY.

27. *Newspapers and Farming Journals*.—The Board again acknowledges the ready and willing assistance afforded by the newspapers and leading farming journals, which have always been prepared to publish reports of the proceedings of the Board, district boards, and associations, and to notify the farming community of matters of interest in connection with the system.

28. *New Zealand Farmers' Union, Incorporated*.—At the request of the union, the Commissioner has supplied the Dominion Secretary with periodical statements showing the progress and development of the system and also dealing with matters of special importance to farmers in connection with finance. The statements have been circulated to the branches of the union, which are in this way kept supplied with up-to-date information regarding the system. The continued support accorded by the union has proved very valuable.

29. *Publicity Campaign*.—It is evident that, notwithstanding the measures taken by the Board to bring under the notice of farmers the benefits available through the obtaining of finance from the Board, there are many farmers who do not know of the Board's operations or the advantages offering. After consulting its district organizations the Board has embarked upon a publicity campaign in order to ensure, as far as possible, that farmers are made aware of the existence of the system and the points at which inquiries and applications should be made. The campaign will include the exhibition of a poster at all post-offices drawing attention to the operations of the Board and associations, the issue of a pamphlet giving details of the system, and, where desired, the delivery of addresses by officers of the Board at meetings arranged by co-operative rural intermediate credit associations and other interested persons or organizations. The display of the poster has been arranged, and already inquiries have resulted therefrom. The printing and distribution of the pamphlets is now proceeding.

CO-OPERATIVE RURAL INTERMEDIATE CREDIT ASSOCIATIONS.

30. *Number of Associations operating*.—At the end of the year there were forty-two associations in existence, of which forty-one were transacting business. Of the forty-three associations which were reported last year as having been formed, one is in course of liquidation and one has not been able to commence operations.

The following table shows the numbers of associations formed in each of the years during which the system has been in operation, together with the number in existence at the end of each year :—

Year ended 30th June,					Number of Associations of which Board's Con- sent to Formation given during Year.	Total Number at end of Year.
1928	..	..	..	..	7	7
1929	..	..	..	..	14	21
1930	..	..	..	..	12	33
1931	..	..	..	..	7	40
1932	..	..	..	..	1	41
1933	..	..	..	..	2	43
1934	..	..	..	..	..	42

A list of the associations in existence at 30th June, 1934, and the directors and secretary-treasurers thereof is published in Appendix II to this report.

One association in 1931 suffered a loss in respect of one loan. Owing to the adverse economic and farming conditions then ruling, the Board agreed that the collection of the amount involved from the shareholders by means of a call on shares should be postponed. Subsequently, a call of 5s. was made, but as it was not met by shareholders and as it became evident that the longer the association continued to operate the greater would be the loss eventually suffered the directors and other

shareholders asked that the association be wound up. The Board took over the administration of the association's two current loans and petitioned the Court for a winding-up order, which was made. The liquidation is proceeding with the Official Assignee as Official Liquidator.

31. *Losses*.—The Mid-Canterbury and Central Southland Associations have suffered losses in respect of loans, and calls on shares remain unpaid by some shareholders. As, however, the two associations have collected substantial amounts towards the liquidation of the deficiencies, further time is being allowed by the Board for payment of the amounts still outstanding. There is no likelihood of the Board suffering losses as a result of those sustained by the associations. In only one case during the year was there a loss on a loan account by an association. It was only small, and was met from the association's reserve account.

32. *Position of Loans*.—Generally, the position of association loans is sound and reflects great credit on the directors and secretary-treasurers of associations, who have given a large amount of care and attention to the consideration of applications for loans and the supervision of the securities. The work is performed largely on a gratuitous basis, and the Board again has pleasure in recording its appreciation of the excellent manner in which the duties of these officers have been discharged and its acknowledgment that it is only by means of such support that the association system of providing finance has attained such success.

33. *Delegated Powers*.—Reference has already been made to the gradual delegation of powers to the district organizations. The associations have shared in this delegation, and, whereas all matters affecting loans required originally to be referred to the Board, a number of them may now be dealt with by the directors of associations, or by District Supervisors or district boards or committees thereof on recommendations made by the directors. Associations may themselves grant further advances not exceeding £50 to any one borrower and also approve readvances of the proceeds of sales of stock and produce within limits defined by the Board. It is seldom that the directors, or the directors with the concurrence of the District Supervisor, cannot approve a readvance, and only in isolated cases is the Board's authority necessary. It is hoped gradually to extend the powers of the associations in pursuance of the Board's settled policy of entrusting to district organizations as much as possible of the administration work.

34. *Value of Association Method*.—The advantages to farmers of borrowing through associations have been fully demonstrated, and it is necessary in this report to mention only two such advantages which have come prominently under notice during the year :—

- (a) The directors of each association are leading farmers with a sound knowledge of the district and its inhabitants, and are therefore able to treat all applications, whether for loans, concessions, or other assistance, strictly on their merits and to meet deserving cases fairly.
- (b) The directors are able to supervise the farming and financial operations of any borrowers who are experiencing difficulty or who desire assistance and to tender advice where it is thought to be necessary.

Directors and secretary-treasurers have always shown themselves willing and anxious to help their borrowers to the fullest extent, and it is this spirit of co-operation which has made the association method of lending so popular and successful.

35. *Business transacted through Associations*.—The total moneys advanced by the Board under association loans during the year was £40,379, as compared with £43,796 for the year ended 30th June, 1933, a decrease of 8 per cent. approximately. These amounts were advanced by the Board to associations or their solicitors for disbursement to borrower-members, and do not include amounts advanced to borrowers by associations from funds in hand representing repayments received from other borrowers. The results of each association's operations are shown in the annual reports of the individual associations, the financial years of which do not usually coincide with that of the Board. Probably a considerable amount was made available during the year from funds held by associations, so that the amount made available to farmers is likely to be considerably in excess of the amount of £40,379 shown above.

As at the 30th June, 1934, the amount owing to the Board by associations in respect of loans made to their borrowers was £195,552, as compared with £256,024 at 30th June, 1933. These figures refer to the net investments after crediting the repayments made over periods of up to six years.

36. *Financial Position of Associations.*—A return of the financial position of all associations at the dates of their last accounts was prepared in June, 1934, the last financial years of the associations having ended on dates varying from the 31st May to the 30th November, 1933. The return showed that the forty-two associations had a membership of 2,037, of whom 1,129 had received advances still current at the dates of the respective accounts. The membership of the individual associations varied from twenty-one to two hundred. The subscribed capital totalled £75,005, as compared with £72,573 shown by the return compiled in the previous year. The paid-up capital amounted to £3,908. The reserves stood at £1,014, an increase of £91 over the figure for the previous year.

The amounts owing to the Board by associations in respect of loans to their members total £259,975, while the amounts owing to associations by their members stood at £259,747. (Repayments received from borrowers after the close of the various financial years had reduced the total amount owing by associations to the Board to £195,552, as shown in paragraph 35 above.) These figures represent a decrease on the previous year, when the figures were £304,736 and £303,022 respectively. The average total of current advances for each association was £6,184, while the average per individual member was £230. The investments of the individual associations varied considerably from association to association—from £535 to £30,558. These figures represent the current advances, and not the total business which has been transacted by the associations.

DIRECT LOANS.

37. The method of making direct loans to farmers has been well supported during the year, and the large increase of 46 per cent. is shown in respect of loan-moneys advanced as compared with those of the previous year. It is evident from the results achieved that the value of this method is appreciated by dairy companies, a large number of which have made their guarantees available, and other guarantors.

During the year the Board agreed to accept the guarantees of two companies, and for adequate reasons the limits fixed in respect of the guarantees of two other companies were cancelled. The number of guarantees of companies accepted and in force at the 30th June, 1934, was 69, while guarantees from individuals were also held.

38. *Position of Direct Loans.*—Generally, the position is satisfactory, and though a loss appears inevitable in one case, and there may be others, they will not be large, and will be more than covered by the reserves already provided for doubtful accounts.

39. *Business transacted under Part III of the Act.*—The loan-moneys advanced for the year ended 30th June, 1934, total £33,199, as compared with £22,732 for the year ended 30th June, 1933.

The amount owing to the Board under this heading at the 30th June, 1934, was £76,266, as compared with £92,785 at the 30th June, 1933. These figures show only the net investments after crediting repayments received under the loans since they were granted, in some cases five and six years ago.

DISCOUNTING.

40. The business transacted under this heading has shown a still further decrease during the year. In the year ended 30th June, 1933, the discounts effected fell by £17,000 below those of the year ended 30th June, 1932, and during the year under review a further reduction of between £700 and £800 is disclosed.

For the year the Board agreed to accept the endorsements of a further two companies, the limit fixed for another was reduced, and for adequate reasons the limits fixed in respect of two others were cancelled. At 30th June, 1934, the number of companies the endorsements of which have been accepted and are still in force was fifty-four, while endorsements have been accepted from individuals in some cases.

This method of obtaining loans has also been well supported by dairy companies, which have appreciated its advantages for the making of small loans for short periods with a minimum of expense.

41. *Business transacted*.—The discounts effected during the year totalled £4,839, as compared with £5,625 for the year ended 30th June, 1933. The total value of bills and notes outstanding at the 30th June, 1934, was £2,310, as compared with £5,300 at the 30th June, 1933.

LOANS FOR PURCHASE OF FERTILIZER—SPECIAL FUND.

42. Of the £11,891 lent by the Board under the special arrangement with the Government for the financial years ended on the 31st March, 1931 and 1932, only £141 2s. 3d. was owing at the 30th June, 1934, while £25 4s. has been written off as irrecoverable. Probably further amounts will yet be collected, but even if no further payments are received the maximum loss will be £166 6s. 3d., funds to meet which have been provided by the Treasury. When it is recalled that the loans were made wholly on personal security, the result achieved is very creditable.

DAIRY COMPANIES.

43. Valuable support has been accorded to the system by dairy companies under the three methods of making loans available to farmers. The main support has come in respect of Part III of the Act, whereunder loans may be made direct to farmers supported by guarantees of not less than 20 per cent., but many companies have made their endorsements of promissory notes available to enable dairy-farmers to obtain loans under the discounting system, which is so eminently suitable for the provision of small loans for short periods.

Companies have also actively promoted the formation of some associations, through which their suppliers are able to obtain loans without it being necessary for the companies to provide guarantees. There is a wide scope for the further development of the system in this direction, and companies which are interested would be well advised to obtain further details.

It is evident that those companies which have utilized the system recognize the advantages offered, and their assistance is appreciated by the Board and by borrowers, who have been able in this way to obtain finance on the reasonable terms approved by the Board.

SCHEMES IN OTHER COUNTRIES AND INQUIRIES FROM ABROAD.

44. The Board has kept closely in touch with the development and working of rural credit systems in other countries with the object of introducing to New Zealand any details which prove satisfactory in other countries and which appear suitable for adoption under the rural intermediate credit system. During the year reports from Tasmania, Kenya, New South Wales, Canada, Queensland, and the United States of America were perused with this object in view.

Numerous communications are received from overseas inquiring for particulars of the rural intermediate credit scheme and its introduction and development. Information was supplied during the year to inquirers from Victoria and Holland.

FINANCE AND ACCOUNTS.

45. *Accounts to 30th June, 1934*.—The accounts reveal a decrease in the gross income from £29,665 for the year ended 30th June, 1933, to £22,854. This figure, however, does not include the sum of £7,058 4s. 1d., the income earned by investments of the Rural Intermediate Credit Redemption Fund, credited direct to the Redemption Fund Account. The decrease in income is attributable to various factors, including—

- (a) The reduction of $\frac{1}{2}$ per cent. in the Board's lending-rate from the 1st May, 1933 :
- (b) The receipt of lower rates of interest on the Board's temporary investments :
- (c) The decrease of £79,938 to £274,080 in the investments in the course of the Board's ordinary business :
- (d) The large amount held continuously in temporary investments at low rates of interest.

Although the gross income was reduced by £6,811 to £22,854, the interest profit was only £2,045 lower at £15,609, owing to interest on debentures being £4,766 less at £7,245. This reduction was due principally to the repayment during the year of debentures amounting to £86,100 and to the operation for the full year of the maximum reduction of interest effected by the Finance Act, 1932–33, which operated for only nine months of the previous year.

46. The expenditure, including interest paid on debentures, totalled £17,124, compared with £26,249 for the previous year. The reduction was due principally to the lower charge for interest on debentures mentioned above, and to the fact that it was unnecessary to increase the reserves for possible losses on advances, to which £4,873 was added in 1933. All doubtful securities have been carefully reviewed, and it is considered that the existing reserves for possible losses amounting to £7,062 are adequate. The reserves made represent only 2·56 per cent. of the advances current at 30th June, 1934, £274,916, and only 0·66 per cent. of the total advances made to 30th June, 1934, £1,065,179. It has not yet been necessary to write off any losses of principal, and, having regard to the difficult farming conditions, the Board is fortunate in having to set aside such a comparatively small amount in respect of possible losses.

47. The net profit for the year was £5,729 13s. 4d., compared with £3,415 13s. 9d. for the previous year, when £4,873 was provided as an addition to the reserves for losses on advances.

In accordance with section 39 of the Rural Intermediate Credit Act, 1927, the net profit of £5,729 13s. 4d. has been appropriated in equal shares to the Rural Intermediate Credit Redemption Fund and the Rural Intermediate Credit Reserve.

48. The total investments, including accrued interest as at 30th June, 1934, amounted to £612,539, a decrease of £74,983 on the previous year's figures. This total includes the investments of the Rural Intermediate Credit Redemption Fund, which at cost amount to £181,687.

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 the 30th June, 1933, appropriated in accordance with section 39 of the Act	133,333	6	8
Interest received and invested and interest accrued to the 30th June, 1934	11,833	15	1
	36,520	1	11
	<hr/> £181,687 3 8 <hr/>		

The face value of the investments held and accrued interest thereon to the 30th June, 1934, is £182,823 19s. 11d., the additional amount of £1,136 16s. 3d. representing the premium received on conversion of Government securities held as at 31st March, 1933.

In addition, the Redemption Fund includes a further sum of £2,864 16s. 8d. representing half share of profits for the year to the 30th June, 1934, and a small balance of interest, £1 1s. 10d., not yet invested, making a grand total of £184,553 2s. 2d.

The investments in the course of the Board's ordinary business amount to £274,080 5s. 8d., classified as follows :—

	£	s.	d.
Advances to associations under Part II	195,551	19	1
Advances to farmers under Part III	76,266	7	3
Bills discounted	2,261	19	4
	<hr/> £274,080 5 8 <hr/>		

In the above table the advances are shown at the amount actually owing to the Board, but in the balance-sheet the sum of £7,062, representing reserves provided for possible losses, has been deducted from these figures.

Temporary investments of funds not required immediately for payment of loans authorized amount to £151,850.

49. 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. Despite the difficult farming conditions experienced during the year, borrowers were in many cases able to make repayments of their advances in accordance with the terms of their loans, and these repayments account for the decreased investments.

Owing to the large number of small loans and the necessity for the greatest care in the investigation of applications and, especially under existing farming conditions, in the supervision of the current advances secured mainly on live-stock and chattels, the business is necessarily somewhat costly to operate. This was apparently anticipated by Parliament when it provided for £400,000 to be advanced from the Consolidated Fund, free of interest, for a period of ten years.

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

50. *Issue of Debentures.*—During the year the Board's debentures Series A, B, and C matured, and were redeemed from surplus funds. Some additional debentures were redeemed prior to maturity by arrangement with the holders. The total value of the debentures repaid during the year was £86,100. At the 30th June, 1934, debentures amounting to £132,200 were owing—the balance of the last two issues made by the Board, which mature in July and October, 1935. The security for those debentures at the 30th June, 1934, consisted of—

The investments of the Redemption Fund (Government securities),	£
(face value, £182,824)	181,687
Temporary investments (in Government securities)	151,850
Securities held from farmers and associations for loans	£
under which there was owing	274,080
Less reserves	7,062
	<hr/> 267,018

The share capital and reserves of the associations which support the loans made under Part II of the Act. In the aggregate these should be of substantial value. A return compiled in June, 1934, showed that the share capital (including uncalled capital, £71,097) and reserves of forty-two associations as at the respective dates of their last balance-sheets totalled .. 76,019

51. *Accounts of Associations.*—The officers of the Board continue to supervise the accounting work of the associations and to give the secretaries such assistance as they require.

CONCLUSION.

52. The year just closed has again been a difficult one, and the fact that borrowers from the Board have been able to meet their commitments to so considerable a degree is a matter of extreme gratification. It gives the Board pleasure to acknowledge the evident desire of borrowers as a whole to meet their obligations to the Board to the fullest possible extent.

53. As in previous years, the excellent result achieved by the Board is largely attributable to the interest displayed by district board members and directors of rural intermediate credit associations and the care which they have exercised in the making of loans and supervision of securities. Due acknowledgment of the excellent services rendered has been made in the appropriate portions of this report.

I have, &c.

(for and on behalf of the Board),

E. O. HALES, Commissioner.

The Right Hon. the Prime Minister.

APPENDICES.

APPENDIX I.

COMPARATIVE STATEMENT OF BUSINESS AS AT 30TH JUNE, 1933, AND 30TH JUNE, 1934.

	1933. £	1934. £
Investments (including advances made and face value of bills discounted) ..	354,944	274,963
Loans granted but not completed	10,079	14,434
Applications entertained and in course of consideration	15,486	6,755
	<u>£380,509</u>	<u>£296,152</u>
The investments referred to above were made up as follows :—	£	£
Advances to associations for preliminary expenses	835	835
Advances to associations under Part II of the Act	256,024	195,552
Advances to farmers under Part III of the Act	92,785	76,266
Bills and notes discounted (face value)	5,300	2,310
	<u>£354,944</u>	<u>£274,963</u>

The business dealt with by the Board up to 30th June, 1934, or under consideration at that date, reached the total of £1,086,368, made up as follows :—

	£
Applications under consideration	6,755
Loans granted but not yet completed	14,434
Advances made and bills and notes discounted since the inception of the scheme	1,065,179
	<u>£1,086,368</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 : William Campbell Wylie, 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 : Roy Hillary Kelly, Kaitaia.

Northern Wairoa Association (Headquarters : Dargaville. Registered 9th October, 1928)—

Directors : Arthur Leslie Williams, Dargaville (Chairman); George Druitt, Mamaranui; Percy William Hill, Hoanga; Frank Joseph Johanson, Parore; George Scott, Ruawai.

Secretary-Treasurer : William Rogers Worsley, Dargaville.

Otamatea Association (Headquarters : Paparoa. Registered 3rd March, 1931)—

Directors : Edward Thomas Rodney Coates, Matakoho (Chairman); William Richard 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: Archibald White, Glenbrook (Chairman); Frederick Alexander Harcombe, Kohekohe; Arthur Lansear Hull, Waiuku; David Sands, Pukeoware.
 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, Te Rore; Charles Edwards, Frankton Junction; Arthur Wallace, Taihoa, Matamata.
 Secretary-Treasurer: Thomas Gordon Reynolds, Hamilton.
- Hauraki Association* (Headquarters: Paeroa. Registered 21st July, 1928)—
 Directors: Murdo Archibald Carter, Awaiti (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); David Charles Douglas Thomas, Aongatete; Marcus Nicholson Trotter, Aongatete; John Thomas Warman, Katikati.
 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 White, Putaruru.
 Secretary-Treasurer: Harold Elbert Schofield, Matamata.
- Mercury Bay Association* (Headquarters: Whitianga. Registered 4th October, 1932)—
 Directors: Harry Norman Arthur Wells, Whitianga (Chairman); Ernest Mark Minifie, Coroglen; Hilton Thomas Robinson, Mercury Bay; James Watts Smith, Kaimarama.
 Secretary-Treasurer: Frank Henry Broad, Whitianga.
- Morrinsville Association* (Headquarters: Morrinsville. Registered 22nd September, 1928)—
 Directors: George Henry Pirrit, Morrinsville (Chairman); Wilfred David Cunningham, Kereone; John Henry Gaddes, Morrinsville; Frederick Chafe Kennedy, Morrinsville.
 Secretary-Treasurer: Joseph Lewis Faulkner, Morrinsville.
- Otorohanga Association* (Headquarters: Otorohanga. Registered 21st June, 1928)—
 Directors: George Dixon Hall, Otorohanga (Chairman); John Brynes, Otorohanga; Herbert Arthur Lurman, Otorohanga; Jens Christen Petersen, Otorohanga.
 Secretary-Treasurer: John Francis Trapski, Otorohanga.
- Rangitaiiki Association* (Headquarters: Whakatane. Registered 29th October, 1929)—
 Directors: William Alexander McCracken, Whakatane (Chairman); Reginald Crocker, Whakatane; Walter Reid, Taneatua; John William Sumner, Whakatane.
 Secretary-Treasurer: Clement Arthur Suckling, Whakatane.
- Rotorua Association* (Headquarters: Rotorua. Registered 13th January, 1930)—
 Directors: Thomas Jackson, Rotorua (Chairman); Joseph Everard Martin, Rotorua; Selwyn Douglas Russell, Rotorua; Thomas Alexander Turner, Rotorua.
 Secretary-Treasurer: Gordon Thomas McDowell, Rotorua.
- Taumarunui Association* (Headquarters: Taumarunui. Registered 18th October, 1928)—
 Directors: Arthur Wesley King, Taumarunui (Chairman); Joseph Fry, Owhango; John Jeffree Pendray, Taumarunui; George Peterson, Taumarunui.
 Secretary-Treasurer: Reginald Burgoyne Froude, Taumarunui.
- Te Aroha Association* (Headquarters: Te Aroha. Registered 23rd November, 1928)—
 Directors: John David Mackay, Waihou (Chairman); Jesse Albert Clothier, Te Aroha; Frederick Ernest Hughes, Waharoa; John Dennerly Johns, Te Aroha.
 Secretary-Treasurer: Frank Eugene Burns, Te Aroha.
- Te Awamutu Association* (Headquarters: Te Awamutu. Registered 12th June, 1928)—
 Directors: Charles Monrath Alexander, Te Awamutu (Chairman); James George Sutherland, Kihikibi; 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); Harold Cleaver, Te Kuiti; Robert Bell Cole, Te Kuiti; Edward John Jones, Oparure.
 Secretary-Treasurer: Albert William Whyte, Te Kuiti.
- Te Puke Association* (Headquarters: Te Puke. Registered 8th October, 1929)—
 Directors: Henry Jocelyn 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.

- Central Hawke's Bay Association* (Headquarters: Waipukurau. Registered 31st August, 1932)—
 Directors: James Anderson Kerr, Waipawa (Chairman); Charles Chalmers, Waipukurau; William Cuthbertson, Takapau; David Eddy, Tikokino.
 Secretary-Treasurer: Dennis William Neild, Waipukurau.
- Northern Hawke's Bay Association* (Headquarters: Hastings. Registered 21st October, 1930)—
 Directors: John Henry Joll, Havelock North (Chairman); John Livingston, Marackakaho; 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: Harold Alexander Olsen, Norsewood (Chairman); Ralph Searle Chadwick, Dannevirke; James Doyle, Maharahara; Archibald William Montgomerie, 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; William Kennett Morris, Oakura; Roderick David Spence, Omata.
 Secretary-Treasurer: Francis Stanley Grayling, New Plymouth.
- South Taranaki Association* (Headquarters: Hawera. Registered 21st March, 1928)—
 Directors: John Cocker, Eltham (Chairman); Louis Frank Bell, Mokoia; Ernest Samson Bennett, Manaia; Ralph Gordon Hooker, Matapu.
 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: Louis Fetzner, Ohakune (Chairman); Arthur Benjamin Harris, Raetihi; James St. Vincent Nelson Ranger, Ohakune; George Sargeant, Ohakune.
 Secretary-Treasurer: Ira Valor Allan Dobbie, Ohakune.

MANAWATU-WELLINGTON DISTRICT.

- Horowhenua Association* (Headquarters: Levin. Registered 29th October, 1928)—
 Directors: Robert Gillies 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 Shaw Hay, Langdale; Charles Churchill Jackson, Kopuaranga.
 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; John Angus Johnston, 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; Thomas McKenzie, Wright's Bush; James Young, Wallacetown.

Secretary-Treasurer: Eric Henry James Preston, Invercargill.

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

Directors: Peter Arnott, Seaward Downs (Chairman); William Barron, Morton Mains; Matthew Lawson Fallow, Fortification; James Milne, Kapuka.

Secretary-Treasurer: Adam Laurence Adamson, Invercargill.

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

Directors: Frank Walker, Waipounamu (Chairman); James Cowie, Balfour; Franklyn Gluyas, St. Patricks; Ernest Wardlaw Stevens, Balfour.

Secretary-Treasurer: Robert Stewart Green, Gore.

Approximate Cost of Paper.—Preparation, not given; printing (4,630 copies), £26 10s

Price 9d.]

By Authority: G. H. LONEY, Government Printer, Wellington.—1934.