

1935.

NEW ZEALAND.

STATE ADVANCES OFFICE

(REPORT BY THE SUPERINTENDENT OF THE) FOR THE YEAR ENDED
31st MARCH, 1935.*Laid before Parliament pursuant to Subsection (3) of Section 64 of the State Advances Act, 1913.*

FORTY-FIRST ANNUAL REPORT.

A. GENERAL.

1. The State Advances Superintendent administers the following :—
 - (a) Advances to Settlers (established 1894).
 - (b) Rural Advances (established 1927).
 - (c) Advances to Workers (established 1907).
 - (d) Advances to Local Authorities (established 1910).
 - (e) Public Debt Sinking Funds (moneys invested for the redemption of the public debt), (established 1910).
 - (f) Advances Office Sinking Fund (moneys invested for the redemption of State Advances Loans), (established 1913).
2. The disturbing economic features of the last few years have been reflected in the Department's annual reports to Parliament. In an institution of the nature of this Office, established for the specific purpose of rendering financial assistance within certain limits by way of long-term loans to our citizens endeavouring to establish themselves, it was early apparent that the difficulties of the Office would increase with the serious drop in price-levels of the Dominion's produce and the fall in wages' returns. Although this expectation has been realized, the Department's Accounts for the year ending 31st March, 1935, support the view that earnest efforts are being made by many of its mortgagors to meet their engagements to the Office.
3. Broadly viewed, the Department's mortgagors may be divided into those engaged in rural pursuits and those receiving salaries or wages as their main income.

Farm Securities.—A majority of the farmer-owners, notwithstanding low prices, have been able to continue the payments under the first mortgages secured against their holdings. To some in difficulties postponements of the principal repayments provided for under the table have afforded considerable assistance. The statutory power contained in section 10 (5) of the Mortgagors and Tenants Relief Act, 1933, has been exercised by the Superintendent where the need of such assistance has been established by the mortgagor. While the relief has been of value to the mortgagors, the Office securities have gained a corresponding benefit by making it possible in many instances for mortgagors to maintain the fertility and condition of the securities.