

1946
NEW ZEALAND

RURAL INTERMEDIATE CREDIT BOARD

REPORT FOR YEAR ENDED 30TH JUNE, 1946

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

State Advances Corporation of N.Z.

Wellington, 27th September, 1946.

The Right Hon. the MINISTER OF FINANCE.

We have pleasure in submitting a report on the business transacted by this Board for the year ended 30th June, 1946, as required by section 76 of the Rural Intermediate Credit Act, 1927.

The Rural Intermediate Credit Board appointed in terms of this Act has provided a source from which farmers could obtain loan finance on favourable terms for such purposes as the purchase of stock and plant and farm improvements. Farmers could obtain finance through the Board in the following manner:

- (a) By borrowing through Co-operative Rural Intermediate Credit Associations.
- (b) By direct loan from the Board.
- (c) By arranging with the Board for the discounting of bills or promissory notes.

In terms of the Rural Intermediate Credit Amendment Act, 1946, the business of the Rural Intermediate Credit Board will, as from the 1st October, 1946, be absorbed by the State Advances Corporation. The needs of farmers requiring assistance in the form of stock loans will be fully catered for by the Corporation and by the Co-operative Rural Intermediate Credit Associations, which will continue to operate as heretofore. In view of the lack of business offering in the form of discounting of bills and promissory notes and the facilities for transacting this type of business through banks and trading companies, it was decided that it would be unnecessary for the Corporation to have authority to extend its business in that direction.

In consequence of the amending legislation, the district boards, which had certain authorities to grant loans to farmers either direct or through associations, will cease to operate as from the 1st October, 1946, but provision has been made for local sub-committees appointed by the Board of Management of the Corporation to consider loan applications arising in the districts to the same extent as did the district boards under the Rural Intermediate Credit system.