

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.