

1935.

NEW ZEALAND.

RURAL INTERMEDIATE CREDIT BOARD

(REPORT OF THE) FOR THE YEAR ENDED 30TH JUNE, 1935.

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

SIR,—

Wellington, 1st October, 1935.

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, 1935.

1. It is gratifying to record that the new business for the past year showed a larger increase than that disclosed for the previous year. For the year ended 30th June, 1935, loan-moneys advanced by the Board under all headings totalled £84,952, as compared with £78,417 for the year ended 30th June, 1934, and £72,154 for the year ended 30th June, 1933. A further advance in the prices of dairy-produce during the year ending 30th June, 1936, would stimulate confidence on the part of the dairy-farmer and probably lead to an expansion of the Board's business. Even with the increase recorded during the year under review, however, the volume of business transacted during the earlier years of the Board's operations has not been approached. The reasons for this have been disclosed in previous reports.

2. The total amount advanced by the Board from the inception of the scheme to the 30th June, 1935, is £1,150,131 16s. 6d., and the net investments at that date were £260,144 5s. 9d. It will be seen that over a period exceeding seven years borrowers have repaid the sum of £889,987 10s. 9d., or more than 77 per cent. of the amount advanced. The arrears of interest at the 30th June, 1935, amounted to £314 only. The members of the Board have placed on record their satisfaction with the results achieved in the collection of repayments of principal and payments of interest and their appreciation of the work of the officers of the Board and the efforts of borrowers to meet their obligations.

3. The Board has recognized that it cannot, as a rule, expect to collect repayments fixed under loans granted when the prices ruling for primary produce were higher than they are now, and has, since produce prices receded, followed the policy of treating on its merits each case where a borrower has asked that the repayments be reduced or deferred. Numerous concessions have been granted, and the ability of the Board to give satisfaction in the majority of cases is apparent from the fact that a comparatively small number of borrowers has had recourse to the Mortgagors and Tenants Relief Act, and in only isolated cases has the measure of relief obtained exceeded that which the Board would have been prepared to grant had it been approached for concessions.