

1937.
NEW ZEALAND.

RURAL INTERMEDIATE CREDIT BOARD

(REPORT OF THE) FOR THE YEAR ENDED 30TH JUNE, 1937

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

SIR,—

Wellington, 30th June, 1937.

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, 1937.

1. This will be the final report to be submitted by the present Board, as the administration of the system will be transferred to the members of the Board of Management of the State Advances Corporation as from the 1st July, 1937, in accordance with the provisions of the State Advances Corporation Act. The Board, therefore, takes the opportunity of submitting a brief historical survey of the establishment and development of the system, and some observations based on its experience of the working of the system, together with a review of the position as at the close of its administration.

HISTORICAL SURVEY.

ESTABLISHMENT.

2. The Intermediate Credit system was introduced as a result of the passing of the Rural Intermediate Credit Act, 1927, which followed largely, but not entirely, the recommendations made by the Royal Commission on Rural Credits, which in 1926 presented to Parliament a report on its investigations of systems of rural credit in other countries. As finally passed the Act made provision for the granting of loans in four ways:—

- (a) To farmer members of co-operative rural intermediate credit associations.
- (b) Direct to farmers.
- (c) To co-operative societies.
- (d) By the discounting of farmers' promissory notes.

The main departure from the Royal Commission's recommendations was that provision was made for loans direct to farmers, under certain conditions, as an alternative to loans made under a co-operative system.

3. *Administration.*—In terms of the Act a Board of seven members was established, the following members being appointed:—

- Mr. John Brown, of Ashburton.
- Mr. T. E. Corkill, of Wellington.
- Colonel J. J. Esson, C.M.G., of Wellington.
- Mr. Norton Francis, C.M.G., of Christchurch.
- Mr. J. N. Massey, of Puni.
- Mr. W. Waddel, C.B.E., of Wellington.
- The Public Trustee of the Dominion of New Zealand.

Colonel J. J. Esson was appointed Chairman of the Board, and the Public Trustee was constituted the principal executive member with the title of Commissioner of Rural Intermediate Credit. Later, by the Finance Act, 1929, the Financial Adviser to the New Zealand Government was added to the Board. With