

SESSION II.
1921.
NEW ZEALAND

REPATRIATION DEPARTMENT.

REPORT OF DIRECTOR OF REPATRIATION CONCERNING BAD AND DOUBTFUL CASES IN ARREAR
WITH RESPECT TO LOANS UNDER THE REPATRIATION ACT, 1918.

Laid on the Table of the House of Representatives by Leave.

Repatriation Department, Head Office, Aitken Street, Wellington,
12th January, 1922.

Memorandum for the Hon. D. H. Guthrie, Minister in Charge of Repatriation, Wellington.

Particulars of Bad and Doubtful Cases in Arrear with respect to Loans under the Repatriation Act, 1918.

IN connection with our quarterly review of cases in arrear one month and upwards, I reported at to-day's Board meeting that we had extracted in all districts what might be considered our bad and doubtful debts. Our figures now are,—

Loans to date approved by Board and paid out, £1,775,000.

Amount of principal collected in monthly instalments from soldiers (almost 50 per cent. of the money loaned), £860,000.

Number of loans fully repaid: Business, 1,111; furniture, 999; miscellaneous, 557: total, 2,657.

Estimated possible future loss on account of bad and doubtful debts, £19,650. (Auckland, 64, for £4,759; Wellington, 58, for £4,935; Christchurch, 83, for £4,790; Dunedin, 31, for £1,045; smaller committees, £4,121.)

Number of doubtful cases now being shepherded equals 346, with an average debt of approximately £57. Bad and doubtful debts therefore represent about 1 per cent. of the total loans granted.

As you would see from the schedules I presented this morning, every case is being carefully shepherded, and we are able to state exactly the position regarding each debtor. You would note from the "Remarks" column that where a man is having a hard time every leniency is being shown him, but that the Department is not allowing any man, in a position to keep up his repayments, to avoid his responsibilities. Extracts from some of the reports on general arrears cases read at the Board meeting this morning are as follows:—

Auckland.—An analysis of the return shows that it compares favourably with that presented three months ago, and but for the drop in butter-prices would have been even better. There are something like two hundred borrowers for farming propositions who are in arrear, many of whom were expected to wipe out the deficiency of their accounts before now. Forty-two give "unemployment" as the reason for being in arrear. Sixty give "illness in family" or "under medical treatment." Many of the accounts in arrear are quite good, being covered by ample security, guarantees, or orders for payment.

Christchurch.—In the return of bad and doubtful debtors no effort has been made to minimize the position, but rather to show it in the worst possible light. In estimating losses, very poor prices have been allowed for realization, and no allowance made for grantors signing up to pay any deficit remaining, so that with due attention to these loans the net loss may be considered reduced . . . The arrears as a whole have been very slightly reduced this quarter, trade depression having made it extremely hard to show any appreciable improvement. However, the business arrears are mostly safe, and a big reduction in these should be effected after the harvest. . . . Unemployment added to ordinary family difficulties has made it impossible to obtain regular repayments in a large number of cases. In spite of all that we could reasonably do—and we must appreciate the difficulties of the grantors during these hard times—it will be seen that the matter has been really regulated by conditions over which we have no control.