

1933.

NEW ZEALAND.

RURAL INTERMEDIATE CREDIT BOARD

(REPORT OF THE), FOR THE YEAR ENDED 30TH JUNE, 1933.

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

SIR,—

Wellington, 21st November, 1933.

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, 1933.

1. In the two previous reports of the Board reference was made to the difficulties which had been experienced by farmers in meeting their obligations owing to the serious and continued decline in the prices of all classes of primary produce. So far from the position showing any improvement during the year now under review, the adverse conditions were accentuated, especially in the case of dairy-farmers owing to a further marked decline in the prices received for butter and cheese on the English market. Most dairy-farmers had based their expenditure for the year on an anticipated return over the whole season of at least 1s. per pound for butterfat, whereas the return actually received was generally between 9d. and 10d. per pound, the reduction thus necessitating a drastic revision of the outgoings under various headings. Under these circumstances many applications were made to the Board for some measure of relief in the principal repayments required in terms of the Board's loans.

2. The position of sheep-farmers has been equally unsatisfactory, and loans to farmers of this class have also required close supervision and control. It is widely recognized that loans on chattel securities call for close attention, even in times of normal prosperity, and the need of supervision is largely increased in times of difficulty such as the present. Thus, although the total of loans granted fell considerably below the level of the amounts advanced in previous years, the administration of the system has entailed, if anything, additional work in maintaining adequate supervision and control over the existing loan accounts and in dealing with the numerous applications made by borrowers for temporary variations of the terms fixed by the Board for the repayment of their loans. At the same time, it is gratifying to report that in face of the existing conditions the majority of the borrowers have made their payments satisfactorily, and that the concessions granted have related almost exclusively to the principal repayments, the amount of interest outstanding at the 30th June, 1933, being only £600.

3. The Board has continued its policy of easing conditions for its borrowers so far as its duty to the debenture-holders who have entrusted moneys to it for investment will permit, and where concessions have been shown to be necessary and justifiable they have been freely granted in cases where the Board is satisfied with the borrower's conduct and the position of the security.

While the Board has endeavoured to fulfil the intention of the Rural Intermediate Credit legislation that loans should, if possible, be fully repaid within a period of five years, it has recognized that under the present abnormal conditions this ideal is not always attainable, and that some relaxation of the terms of the loans is necessary until the prices of primary produce improve. It has consequently reduced substantially the annual repayments in a number of cases, although it has realized that this action will render it impossible to clear the full amounts of the loans within the five-year period.

4. As will be seen at a later stage of this report, the policy of fixing the annual repayments of principal has been fully reviewed in the light of existing conditions, and the Board has also modified its original policy that where further advances are granted to borrowers the additional amounts must be cleared within the period of the original loan. The Board is thus doing everything possible to see that its borrowers are not unduly harassed in their financial operations and that they are allowed the necessary funds for living-expenses and for the efficient working of their properties, though they are, of course, required to see that expenditure is kept at as low a level as possible.

5. As evidence of the extent to which the Board's operations have grown, it may be stated that the total business which had been transacted up to the 30th June, 1933, or was then under consideration through rural intermediate credit associations under Part II of the Act, by the granting of loans direct to farmers under Part III of the Act, and by the discounting of promissory notes, showed an increase of £74,328 over the total of £937,999 at the 30th June, 1932. For the first time since the Board commenced its operations the total business transacted or under consideration has exceeded £1,000,000. When it is borne in mind that the average loans granted by the Board are comparatively small, it will be seen that the figure quoted is an impressive one.

6. For the year ended 30th June, 1932, loans paid out by the Board under all headings totalled £127,034, whereas the total for last year fell to £72,154, which was the smallest amount paid out by the Board in any complete year of its operations. The factors which have led to the decline of business were dealt with fully in the report for the year ended 30th June, 1932, and it is unnecessary to refer to them in detail in this report; but briefly it may be stated that the reduction is principally attributable to the reluctance of many farmers to undertake fresh development or improvement of their properties, even for productive purposes, in view of the uncertainty whether the prices obtainable for the additional produce would warrant the expenditure. Other factors which have operated are the cautious policy adopted by the Board in granting loans during the present period of unsettlement, although no account was declined where the applicant had a reasonable prospect of meeting his commitments, and the decision of the Board to give preference to applications which would lead to increased production, and as a general rule and in the absence of special circumstances to decline applications having as their object the liquidation of existing liabilities to stock companies, banks, and other financial institutions. During the past year the Board has found it possible to lift this restriction, and in view of this change of policy and the somewhat improved outlook for the farming industry an increase in the Board's business may reasonably be anticipated. The supply of funds held is fully adequate to meet all demands likely to be made upon the Board for assistance.

7. In response to the Government's expressed wish for a general reduction of interest-rates and with the object of assisting borrowers, the Board reduced the rate of interest charged by it on all classes of loans. Hitherto the rate payable by farmers on all loans, whether made direct or through associations or under the discounting system, has been $6\frac{1}{2}$ per cent., the Board lending to associations at 6 per cent. to enable them to obtain a profit interest of $\frac{1}{2}$ per cent. with which to meet their working-expenses. From the 1st May, 1933, the rate of interest charged to farmers was reduced by $\frac{1}{2}$ per cent. to 6 per cent., the rate payable to the Board by associations being correspondingly reduced to $5\frac{1}{2}$ per cent. The reduction involves a financial sacrifice on the part of the Board. The reduced rate of interest must be regarded as a very favourable one for loans on the classes of security which the Board accepts, particularly when it is remembered that interest is computed on the daily balance and ceases to run on any amounts repaid.

ADMINISTRATION.

8. *Meetings of Board and Local Committee.*—Twelve meetings of the Board were held during the year, when matters of policy were considered and the operations of the Board and its Local Committee were reviewed. The Local Committee, consisting of three members of the Board resident in Wellington, was set up to deal promptly with matters arising for attention between the monthly meetings of the Board. The Local Committee met on twenty-four occasions during the year. In order to reduce to a minimum the expense entailed in holding meetings, the members of the Committee have dealt with matters calling for urgent decision without requiring formal meetings to be summoned. The Board expresses its appreciation of the services so rendered by the Committee.

9. *District Boards.*—The following changes in the personnel of the district boards are recorded:—

Auckland: Mr. Owen Neil Campbell, Commissioner of Crown Lands for the North Auckland Land District, resigned his seat on the board on his appointment as Commissioner of Small Farms. He was a member of the Auckland District Board from the inception of the system, and up to the time of his resignation rendered valuable service. He has been succeeded by Mr. William David Armit, formerly Commissioner of Crown Lands for the Taranaki Land District and a member of the Taranaki District Rural Intermediate Credit Board.

Taranaki: The vacancy occasioned on the Taranaki District Board through the transfer of Mr. Armit to Auckland has been filled by the appointment of Mr. Felix Herbert Waters, now Commissioner of Crown Lands for Taranaki.

The number of meetings of the various district boards varied according to the volume of business requiring to be transacted. In all thirty-two meetings were held during the year. As the delegation of powers from the central Board is extended, the necessity arises of holding meetings of the district boards at more frequent intervals. As in previous years, a large amount of work has been performed by the members outside the regular meetings of the boards and without remuneration. The Board feels that it should again refer in appreciative terms to the capable service rendered, most of it being on a gratuitous basis.

10. *District Intermediate Credit Supervisors.*—The following appointments were rendered necessary by staff changes in the Public Trust Office, which administers the system on behalf of the Board:—

Mr. A. R. Coad, formerly Chief Inspector, as District Intermediate Credit Supervisor, Wellington, in succession to Mr. G. Miller, appointed Deputy Superintendent of the State Advances Office.

Mr. C. Freyberg, formerly District Intermediate Credit Supervisor, Hawera, as District Intermediate Credit Supervisor, Palmerston North, in succession to Mr. K. A. Henderson, resigned.

Mr. W. M. Egglestone, formerly an Inspector, as District Intermediate Credit Supervisor, Hawera, in succession to Mr. C. Freyberg.

Mr. K. J. Caverhill, formerly District Accountant, Wellington, as District Intermediate Credit Supervisor, Masterton, in succession to Mr. S. J. Smith, deceased.

Mr. A. Bell, formerly District Intermediate Credit Supervisor, Greymouth, as District Intermediate Credit Supervisor, Nelson, in succession to Mr. J. Fitzgerald, resigned.

Mr. D. Scannell, formerly Deputy District Intermediate Credit Supervisor, Hamilton, as District Intermediate Credit Supervisor, Greymouth, in succession to Mr. A. Bell.

Mr. S. J. Smith, who had acted as District Intermediate Credit Supervisor at Masterton since the inception of the system, died on the 21st November, 1932. The Board expresses its appreciation of his services and its sympathy with his relatives in their loss.

11. *Executive Work.*—By the arrangement with the Public Trustee (who is the principal executive member of the Board with the designation of Commissioner of Rural Intermediate Credit) under which the services of officers of the Public Trust Office are made available to the Board for the conduct of its business, the senior officers of the Public Trust Office have continued to act as executive officers of the Board, whilst the District Public Trustees and District Managers have acted as District Intermediate Credit Supervisors and District Officers respectively. The arrangement has continued to prove very economical and suitable to the Board, which places on record its satisfaction with the services rendered and the close attention given to its work by the Public Trust Office staff. It is clear that under any other available system the cost of administration would be very largely increased.

In order to acquaint branch officers fully with the Board's policy and practice in the administration of the system, and to ensure uniformity as far as possible in dealing with the various aspects of the Board's business, a comprehensive volume of instructions for the guidance of branch officers was prepared and issued at an early stage of the Board's operations, and subsequent changes in policy or procedure have been notified by means of an official circular which has been issued monthly.

As numerous changes and developments have taken place in the policy and procedure of the Board since the time the instructions were first issued, it was found necessary to consolidate and amplify the instructions. The work was completed during the year, and the new instructions were printed and issued. The practice of notifying changes by means of a monthly circular is being continued.

PUBLICITY.

12. The Board has, from the outset of its operations, made use of every available avenue to give publicity to the system, recognizing that if the system is to be widely utilized its advantages must be brought constantly under the notice of farmers who are likely to require financial assistance.

13. *Newspapers and Farming Journals.*—The newspapers and farming journals throughout the Dominion have been very helpful in this respect, and have generally been willing to publish reports of the meetings of the Board and its district organizations, and to bring under the notice of their readers points of interest in connection with the system. The Board appreciates the assistance which it has received in this respect.

14. *The New Zealand Farmers' Union, Incorporated.*—The New Zealand Farmers' Union, Incorporated, has continued its policy of circulating to its branches and members periodical statements supplied by the Board showing the progress and development of the system. Four statements of this nature were supplied and circulated during the year. The Board recognizes the valuable support which has been accorded to it by the Union and its branches and officers at all times.

15. *Pamphlet.*—The pamphlet issued by the Board for the information of inquirers and intending borrowers, and referred to in the last annual report, has proved useful, supplying as it does an outline of the provisions of the legislation and a summary of the procedure necessary to obtain loans. It has also been of advantage in conserving the time of branch officers and officers of associations.

16. *Branch Officers.*—The Board's branch officers have willingly supplied to all inquirers information relating to the system, and their services have always been available when desired for the purpose of addressing meetings of farmers on the working of the system. Two meetings of this nature, which were arranged by branches of the New Zealand Farmers' Union, Incorporated, were addressed during the year.

GENERAL POLICY AND PROCEDURE.

17. Although the general policy and procedure of the Board have become well defined during the past five years, alterations are found necessary or desirable from time to time to keep pace with the expansion of the system and to meet changing conditions in the financial and economic position. Several matters of importance coming under this heading were dealt with by the Board during the past year.

18. The Board has, from the beginning, aimed at a gradual extension of powers to the local organizations with the object of having the administration conducted as far as possible in the districts, subject to the general supervision and control which must be exercised by the Board in discharge of its duty to the debenture-holders who have entrusted funds to it for investment. The delegation of powers has been extended in proportion as the increased experience of the local representatives has rendered such delegation safe and in measure as the Board has been satisfied that the additional powers would be prudently exercised. The following further extensions were approved during the year :—

- (a) Directors of associations have been empowered, on their own responsibility, to grant to borrowers further advances not exceeding £50, subject to the amounts of the original loans and the Board's usual margins of security not being exceeded, and subject to some other necessary safeguards. This power has been of assistance to directors in making further funds available for urgent and necessary purposes without reference to the Board or district boards.
- (b) Reference has been made in previous reports to the Board's practice of granting concessions to enable borrowers to meet their other commitments. Recognizing that under the conditions which prevailed during the past year as the result of the still lower returns received from the sale of primary produce the position of borrowers was becoming increasingly difficult, the Board delegated to district boards or to committees thereof the power, subject to certain conditions, of approving concessions involving the postponement of not more than one-half of the annual repayments already fixed in respect of loans to dairy-farmers.
- (c) It is the practice to review each year the position of loans to sheep-farmers and grain-growers and to fix the repayments to be required during the ensuing year. The Board previously delegated to district boards in respect of Part III loans and to District Supervisors on the recommendation of directors in respect of association loans the power to fix the annual repayments required from such farmers for the years following the first year, provided that the amount so fixed was not less than one-fifth of the original loan. The Board has now extended the delegation to permit of such an annual repayment being reduced by district boards or District Supervisors to not less than one-tenth of the amount of the original loan.

19. Cases have occurred where securities offered by sheep-farmers, grain-growers, and those engaged in mixed and agricultural farming would support loans of amounts sufficient to repay existing liabilities but would not provide additional credit to meet current working-expenses until the next season's returns were received. To meet the position the Board has decided that in appropriate cases supplementary advances may be made increasing the loans temporarily beyond the amounts normally lent on the usual margins. The main loan is granted in the usual way on the basis of the accepted margins, and a temporary additional limit is fixed up to which further credit may be supplied for living and farming expenses, the additional amount being cleared when the proceeds of the sales of stock, wool, and produce during the ensuing season are received.

20. Previously the Board when granting further advances required them to be repaid within five years of the dates of the granting of the original loans, with the object of having the whole indebtedness cleared within the five-year period contemplated by the Rural Intermediate Credit Act. Two modifications of this policy were adopted during the year to meet the exceptional conditions ruling in the farming industry and to assist borrowers :—

- (a) The Board, recognizing that further advances are sometimes required under circumstances which render the repayment within the original five-year period unduly difficult, has agreed in suitable cases to allow further periods of five years from the dates of approval for repayment of further advances. Repayments on this basis will be approved only where it is established that the moneys are required for the proper development and efficient farming of the properties and that repayment on the usual basis would impose an undue hardship on the farmers concerned. The Board has been advised that there is no legal objection to the course which it has adopted.
- (b) Cases have arisen where farmers, who in the earlier years of the Board's operations obtained loans which have been substantially reduced, have required further advances for the development and farming of their properties but it has been evident that it would be impossible for them to make repayments either on the usual five-year basis or on the special basis referred to in the preceding paragraph. The Board has decided that where such a course is justified repayment of the balance of the original loan, together with the further advance, may be made over a period of not more than five years from the date of the granting of the further advance.

It is to be understood that in terms of the instruments of security executed by borrowers all the Board's loans are repayable upon demand, and any alterations of policy such as those here referred to are subject to this paramount requirement.

21. Reference is made in a later portion of this report to certain amendments made by the Finance Act, 1932-33 (No. 2). The Rural Intermediate Credit Act authorizes the Board to supply intermediate credit to farmers. Such credit has been defined as credit for from six months to five years, and the Board has accordingly aimed at having its loans fully repaid within five years. The legislative amendment, however, confers on the Board a discretionary power to waive strict insistence on repayment within the period and enables it to permit loans to run on after the expiry of the period. The Board realizes that, especially at the present time when numbers of farmers are encountering difficulty in meeting their commitments, hardship would be imposed by insisting on repayment in full in all cases and serious embarrassment would be caused to some borrowers by such action. Where, therefore, a borrower's conduct and the security are satisfactory, the Board's policy is not to insist on full repayment if it is satisfied of the borrower's inability to meet it, but to allow the loan to run on subject to reasonable annual repayments being made.

22. If loans on the security of chattels are to prove satisfactory to the lender, it is imperative that adequate supervision of the securities should be ensured. Where a borrower is in arrear with his payments it is particularly essential that strict supervision should be maintained and that up-to-date information regarding the security should be available. In cases of loans through associations under Part II of the Act, the Board relies to a considerable extent on the knowledge and experience of the association directors. Returns of arrears are submitted to the Board at the end of each quarter, and the Board stipulates that where recent reports on securities are not held they should be obtained and the necessary particulars shown in the returns. This results in a check being obtained at least once every quarter on the position of securities for loans which are in arrear.

23. At conferences of directors of associations the suggestion has been made that in view of the low level reached by stock-values the Board might, with advantage to farmers and with no danger to its funds, increase the margins of value up to

which loans may be granted. The Board has decided that the existing margins should be retained as a general rule, but that they may be exceeded in special cases where such a course is shown to be justified. In point of fact, the Board has granted numerous loans in excess of the usual percentages. Each case is considered on its merits, and full weight is given in this connection to recommendations made by directors of associations or members of district boards.

24. Representations were also made by associations that general authority should be given to directors to enable principal repayments to be entirely waived while the present exceptional conditions last. While the Board recognizes that concessions are necessary in many cases, it considers that a general moratorium without regard to the circumstances of each individual case would result in principal repayments being waived in some instances where the concession would not be required. A large number of the Board's borrowers have met their obligations in full, thus demonstrating that a general moratorium is not required. The sympathetic policy adopted by the Board of granting concessions where they are shown to be necessary and where the borrowers' conduct and the securities are satisfactory ensures that undue hardship is not imposed and that relief is granted where it is essential.

LOANS FOR THE PURCHASE OF FERTILIZER.

25. The administration of the special fund provided by the Government for the purpose of enabling farmers to purchase fertilizer is practically completed. In 1931 the sum of £100,000 was made available to provide loans to be made upon terms agreed upon between the Government and the Board. Owing to other assistance granted by the Government by way of special subsidy on fertilizer, the demand for loans did not prove as large as was anticipated, and only £11,891 was lent for the financial years ending on the 31st March, 1931 and 1932. The loans have been gradually repaid, and at the 30th June, 1933, only £202 was owing. It is anticipated that the greater part of this balance will be collected at an early date and that the ultimate loss will be negligible. The result is a gratifying one when it is borne in mind that the loans were made on personal security only.

CO-OPERATIVE RURAL INTERMEDIATE CREDIT ASSOCIATIONS.

26. The formation of two additional associations was completed during the year—the Central Hawke's Bay Association with headquarters at Waipukurau and the Mercury Bay Association with headquarters at Whitianga. The Board's consent to registration of the Central Hawke's Bay Association was given on the 15th July, 1932, and registration was effected on the 31st August, 1932. Consent to registration of the Mercury Bay Association was given on the 12th August, 1932, and registration was effected on the 4th October, 1932. There were at the end of the year forty-three associations in the Dominion, thirty-five of which were in the North Island and eight in the South Island.

The conditions which have ruled in the farming industry have militated against the formation of further associations, but it is confidently anticipated that when conditions become more stable the formation of associations in districts not as yet provided for in that respect will be promoted by farmers.

27. *Conferences of Associations.*—Following the two conferences of representatives of associations which were held at Hamilton and Palmerston North in the previous year, two further conferences were held in the year now closed. The first was held at Dunedin on the 11th October, 1932, at which representatives of associations operating in the South Island were present. The conference was presided over by Mr. John Brown, a member of the Rural Intermediate Credit Board, and there were also in attendance the Deputy Commissioner of Rural Intermediate Credit (Mr. J. Snell), the members of the Otago District Board, the District Supervisors at Christchurch, Dunedin, and Invercargill, who are responsible to the Board for the administration of the system in their respective districts, and the District Officer, Balclutha. The second conference was held at Whangarei on the

8th June, 1933, and was presided over by Mr. J. N. Massey, M.P., a member of the Board. There were present representatives of all the associations operating in the districts north of Auckland, the members of the North Auckland District Board, the Deputy Commissioner of Rural Intermediate Credit, the District Supervisor, Whangarei, who is responsible to the Board for the administration of the system in the North Auckland district, and the District Officer at Dargaville.

Several of the associations represented at the conferences have transacted a large volume of business, and expressions of opinion by their directors on points of doubt or difficulty which arose during the discussions on the remits submitted proved valuable to the directors of other associations who were present. The opportunity of meeting together and discussing various aspects of the lending operations and of making suggestions to representatives of the Board was fully appreciated by the delegates, and the results attained have been reflected in the improved working of the system, not only in the districts directly affected, but throughout the whole Dominion. Representations made by the conferences received the full and sympathetic consideration of the Board, with the result that extensions of delegations and alterations of procedure have been approved.

The programme of conferences has, for the present, been completed, but in view of the valuable results which have been obtained from the gatherings and the appreciation which has been expressed by the delegates to the conferences already held it is intended that further gatherings shall be convened from time to time as the necessity arises.

28. *Deputy Commissioner's Visits.*—In addition to visiting Dunedin and Whangarei for the purpose of attending conferences of representatives of rural intermediate credit associations, arrangements were made for the Deputy Commissioner to visit Pahiatua, Feilding, and Levin to confer with the directors of the local associations. He also visited Auckland, where the working of the system in the Auckland District was discussed with the District Intermediate Credit Supervisor.

29. *Losses by Associations.*—Representations have been made to the Board by associations which have suffered losses in respect of loans granted by them that the Board should either share the losses or grant further financial assistance to enable the associations to recoup themselves, particularly where the losses were caused by circumstances beyond the control of the directors. Representations to the same effect were made by conferences of association representatives. The position was considered by the Board, but, apart from the fact that it is doubtful whether legal authority exists to enable such a course to be followed, it was pointed out by the Board that in advancing funds to associations at $5\frac{1}{2}$ per cent. the Board retains only a small margin of interest for the purpose of providing working-expenses, and with the limited funds available it is not in a position to render the assistance asked for. Moreover, the Board has a duty to those who have entrusted funds to it for investment, and although it has every sympathy with associations which have suffered losses and appreciates the fact that their business commenced and has continued during a difficult period it is unable to assume liability for the losses made by them.

30. *Resources of Associations and Services of Directors and Secretary-Treasurers.*—Representations have also been made on numerous occasions that the Board should increase the resources available to the associations for the purpose of meeting their working-expenses and building up reserves. The Board recognizes that the revenue available to associations is limited and that the system could not function satisfactorily except by reason of the assistance rendered by directors and secretary-treasurers, in many cases largely on a gratuitous basis. The Board has given consideration to the possibility of increasing the revenue available, but has arrived at the conclusion that there is no practicable method of attaining this object by any alteration of the system, except by increasing the burden on borrowers. The main solution of the problem appears to lie in the direction of increasing the amount of business transacted.

The manner in which the work of the great majority of the associations has been carried on by the directors and officers is worthy of the highest commendation, and the Board freely acknowledges that it is only by a continuance of the generous

service rendered by directors and officers that the association method of granting loans can be maintained. It may be mentioned, however, that some associations whose business has now assumed a large volume have been able to allow a reasonable remuneration to their secretary-treasurers and to requite them to some extent for the small remuneration received during the earlier years of the associations' operations.

A revised list of the directors and secretary-treasurers of associations in existence at the close of the year is published in Appendix II to this report.

31. *Winding-up of Association.*—It was necessary during the year for the Board to petition the Supreme Court for the winding-up of the Mataura Association, which had ceased to function. This action was taken with the concurrence of the members of the association. The required order has now been made, and the winding-up will be carried out by the Official Assignee.

32. *Position of Association Loans.*—It is gratifying to report that the position of association loans is generally satisfactory and affords evidence that the directors have exercised care in selecting loan applications, and that close supervision has been maintained after the loans have been granted. In three cases only was it necessary during the year to realize securities. In each case a small loss was suffered by the association concerned.

33. *Business transacted through Associations.*—The total loans paid through associations during the year was £43,796, as compared with £69,538 for the year ended 30th June, 1932. The factors responsible for the decrease in the business were referred to earlier in this report.

As at the 30th June, 1933, the amount owing by members of associations, after crediting the repayments received under the loans over periods extending in some cases up to five years, was £256,024. The corresponding amount at the 30th June, 1932, was £294,683. These figures refer to the net investments only.

DIRECT LOANS.

34. Although the volume of business transacted under this heading has not been as large as that transacted under Part II of the Act, the method has been well supported by dairy and other companies, which have been willing to assist their suppliers and clients to obtain finance on the reasonable terms made available by the Board, and a satisfactory amount of business has resulted.

The Board agreed to accept the guarantees of three additional companies in the year under review, the limits fixed for the acceptance of the guarantees of two companies were increased, that of one company was reduced, and for adequate reasons that of another company was cancelled. The number of guarantees of companies accepted and in force at the 30th June, 1933, was sixty-nine, while guarantees from individuals were also held.

35. *Position of Part III Loans.*—The difficulties which have been experienced in the administration of loans have been mentioned earlier in this report, but, although a few individual accounts are causing concern, the position of direct loans is generally satisfactory. In only one case (as compared with two cases during the previous year) was a security realized. The borrower abandoned the property to his mortgagees, and it was accordingly necessary for the Board to protect its interests by selling the stock and other chattels. The sale was a satisfactory one, and realized more than the amount owing to the Board.

36. *Business transacted under Part III of the Act.*—The loans paid by the Board under Part III for the year ended the 30th June, 1933, totalled £22,732, as compared with £34,277 for the year ended 30th June, 1932.

The amount owing to the Board under this heading at 30th June, 1933, after crediting the repayments received under the loans since they were granted, was £92,785, as compared with £123,655 at the 30th June, 1932. These figures show only the net investments. The factors responsible for the decrease in the business transacted have been traversed earlier in this report.

DISCOUNTING.

37. The discounts effected have shown a relatively larger reduction than the business of other classes transacted by the Board, and it would appear that the factors already referred to in this report as influencing a general decline in the volume of business have operated with special force in the case of this particular method of borrowing. Under the discounting system borrowers are allowed only one year, or in special cases two years, in which to discharge their indebtedness, and the shortness of the period allowed has no doubt had an effect in deterring farmers from utilizing this method of borrowing.

During the year the Board accepted the endorsement of one additional company, the limit fixed for the acceptance of the endorsement of a company was increased, another was reduced, and for adequate reasons another was cancelled. At the 30th June, 1933, the number of endorsements of companies accepted and in force was fifty-four. A few endorsements have been accepted from individuals.

38. *Matters of Practice.*—Cases have arisen in the course of the Board's lending operations where promissory notes have been met by endorsers and almost immediately thereafter the same makers and endorsers have submitted new notes for discounting for equal or slightly reduced amounts. In order to ensure that the same liability is not carried on from year to year, the Board has decided that subsequent notes shall not be discounted unless it is demonstrated that they represent new advances and are not in effect renewals of notes previously met. It is in the makers' own interests that notes should be fully met before maturity and that the liability should not be allowed to remain outstanding over an extended period.

39. *Business transacted.*—The discounts effected during the year totalled £5,625 as compared with £23,193 for the year ended 30th June, 1932. The total discounts effected from the inception of the system to the 30th June, 1933, amounted to £64,317. The total value of notes and bills outstanding at the 30th June, 1933, was £5,300, as compared with £15,733 at the 30th June, 1932.

DAIRY COMPANIES.

40. Dairy companies have continued to give active support to the system, and many which are strongly convinced of the benefits of the system have encouraged suppliers in need of finance to obtain their requirements from the Board, either under Part III of the Act or the discounting system, or from associations, and have in many cases made their guarantees or endorsements available to assist the suppliers. The discounting system is particularly suited to dairy-farmers, as it enables them to obtain small loans for short periods at practically no expense apart from the payment of interest at 6 per cent. on the daily balance owing. The support and assistance rendered by companies has been of great value in extending the lending operations of the Board and associations. It should be mentioned, also, that many companies have been the prime movers in or have given practical assistance to the formation of associations in order that their suppliers may have the benefit of the operation of associations in their districts. There is undoubtedly a wide field for the rendering of assistance by dairy companies, with benefit to themselves as well as to their suppliers, and it is anticipated that, as conditions in the farming industry improve, still more companies will assist their suppliers in this way.

FINANCE AND ACCOUNTS.

41. The accounting system provides for separate records of the advances and transactions of each district board. The district boards' accounts are incorporated in the central Board's general Profit and Loss Account and Balance-sheet, which are thus a complete record of the Board's transactions.

Moneys not immediately required for the settlement of loans are temporarily invested on terms whereby they are available as soon as required. The Board's funds are thus at all times interest-bearing.

42. *Accounts to 30th June, 1933.*—The accounts reveal a decrease in the gross income from £31,890 for the year ended 30th June, 1932, to £29,665. This income, however, does not include £7,652 1s. 8d., the income earned by investments of the Rural Intermediate Credit Redemption Fund, credited direct to the Redemption Fund Account. The decrease in income is principally due to the fact that the investments, by way of advances, decreased from £433,746 as at 30th June, 1932, to £354,018 as at 30th June, 1933, and in consequence, despite the redemption during the year of debentures to the value of £32,500, the funds temporarily invested at a lower rate of interest increased from £106,080 as at 30th June, 1932, to £153,480 as at 30th June, 1933.

Although the gross income was £2,225 lower, the interest profit, £15,653, was only £996 less than for the previous year, mainly due to the reduced rates of interest payable on debentures in accordance with the provisions of the National Expenditure Adjustment Act, 1932, and the Finance Act, 1932–33. Net profit for the year after setting aside £4,873 to provide for possible losses on advances amounted to £3,415 13s. 9d., a decrease of £3,758 8s. 8d., as compared with the net profit of £7,174 2s. 5d. for the year ended 30th June, 1932. In 1932, however, only £1,304 was provided as a reserve against possible losses on advances.

43. The expenditure, including interest paid on debentures, totalled £26,249, as compared with £24,716 for the previous year. The increase was principally due to provision being made for a further £4,873 in respect of possible losses on advances. This exceeded the provision made in the previous year by £3,569. The reserves for losses on advances now amount to £7,062, representing 1·99 per cent. of the advances current at 30th June, 1933. The facts that it has not yet been necessary to write off any losses of principal and that, notwithstanding the difficult conditions prevailing, the provision considered necessary for possible losses represents only 0·72 per cent. of the total advances which have been made indicate the care with which advances have been made and supervised.

44. In accordance with section 39 of the Rural Intermediate Credit Act, 1927, the net profit of £3,415 13s. 9d. has been appropriated in equal shares to the Rural Intermediate Credit Redemption Fund and the Rural Intermediate Credit Reserve.

45. The total investments, including accrued interest as at 30th June, 1933, amounted to £687,522, a decrease of £22,684 on the previous year's figures. This total includes the investments of the Rural Intermediate Credit Redemption Fund, which at cost amount to £172,916.

The present investments of the Rural Intermediate Credit Redemption Fund are derived from—

| | | | |
|--|-----------------|----------|----------|
| One-third of advance of £400,000 from the Consolidated Fund under section 16 of the Act. | £ | s. | d. |
| | 133,333 | 6 | 8 |
| One-half share of profits up to 30th June, 1932, appropriated in accordance with section 39 of the Act . . | 10,125 | 18 | 3 |
| Interest received and invested and interest accrued to 30th June, 1933 | 29,457 | 2 | 2 |
| | <u>£172,916</u> | <u>7</u> | <u>1</u> |

The face value of the investments held and accrued interest thereon to 30th June, 1933 is £174,053 3s. 4d., the additional amount of £1,136 16s. 3d. representing the premium received on conversion of Government securities held as at 31st March, 1933.

In addition, the Redemption Fund includes a further sum of £1,707 16s. 10d., representing the half-share of profits for the year to 30th June, 1933, and a small balance of interest, £5 17s. 6d., not yet invested, making a grand total of £174,630 1s. 5d.

The investments in the course of the Board's ordinary business amount to £354,018 15s. 4d., classified as follows:—

| | | | |
|--|-----------------|-----------|----------|
| | £ | s. | d. |
| Advances to associations under Part II | 256,024 | 7 | 6 |
| Advances to farmers under Part III | 92,785 | 4 | 5 |
| Bills discounted | 5,209 | 3 | 5 |
| | <u>£354,018</u> | <u>15</u> | <u>4</u> |

Temporary investments of funds not required immediately for payment of loans authorized amount to £153,480.

46. The figures published in Appendix I to this report show that the volume of advances outstanding or under consideration is considerably less than at the end of the previous year. The advances in the course of the Board's ordinary business amounted to only £72,078 for the year, compared with £127,035 advanced during the previous year. Repayments of advances, in accordance with the terms on which the loans were granted, were considerable, despite the difficult conditions, and they account for the decreased investments.

Owing to the large number of small loans and the necessity for the greatest care in the investigation of applications, and, especially under existing farming conditions, in the supervision of the current advances secured mainly on live-stock and chattels, the business is necessarily somewhat costly to operate. This was apparently anticipated by Parliament when it provided for £400,000 to be advanced from the Consolidated Fund free of interest for a period of ten years.

It is due to the use of £266,666 of this sum, free of interest, that it has been possible again to show a profit on the year's working.

47. *Issue of Debentures.*—Owing to the large excess of repayments over advances, it was found that the Board could not profitably use all the funds available. The sale of debentures was therefore suspended, and debentures to the value of £32,500 were purchased by the Board from the holders, and, in addition, the balance—£4,500—of the £10,000 special advance made by the Treasury in May, 1931, to enable advances to be made to farmers for purchase of fertilizer was repaid.

48. *Accounts of Associations.*—The officers of the Board continue to supervise the accounting work of the associations, and to render such assistance as the secretaries require.

AMENDMENTS TO RURAL INTERMEDIATE CREDIT ACT.

49. *Shares in Associations.*—Section 50 of the Rural Intermediate Credit Act, 1927, provided that no loan should be made by a co-operative rural intermediate credit association to a shareholder so that the amount for the time being owing thereunder exceeded £2,000 or ten times the amount of the nominal value of his shares in the association, whichever was the less. In order to enable a shareholder to obtain a new loan of an amount in excess of that which his present shareholding would sustain, or a further advance which would make the amount of his loan more than ten times his existing shareholding, it was necessary for him to apply for and be allotted the required number of further shares in the association. Although subsection (3) of section 40 of the Rural Intermediate Credit Act in its original form made provision for the increasing of the share capital by the allotment of shares to applicants who were not shareholders, it did not make provision whereby the share capital of existing shareholders might be increased, and the amount which might be advanced to them was limited by the number of shares then held. It was apparent that provision enabling existing shareholders to increase their shareholdings was required, and accordingly section 30 of the Finance Act, 1932–33 (No. 2), enables additional shares to be allotted to shareholders. Many associations, in accordance with what was considered to be the spirit of the original legislation, had allotted additional shares to members on the granting of new loans or further advances, and their action was validated by the amending legislation.

50. *Repayment of Loans.*—Section 31 of the Finance Act, 1932–33 (No. 2), repeals sections 49 and 65 and subsection (1) of section 53 of the Rural Intermediate Credit Act, 1927, and defines the terms and conditions which the Board or an association may impose in granting loans, and brings into uniformity the provisions of Parts II and III of the Act dealing respectively with association and direct loans. Whereas section 65 of the Rural Intermediate Credit Act, 1927, referring to direct loans, provided that each loan "shall be repaid" within five years after the date of the granting thereof, section 49, referring to association loans, provided merely that no loan "shall be granted" for a period exceeding five years. It was considered that section 65 imposed a definite obligation on the Board to compel repayment within the five-year period unless this was clearly impossible in any

particular case. As it was evident that, in view of the reduction in the prices received by farmers for primary produce, a number of borrowers would not be able fully to repay their loans as required by section 65, it was considered advisable to confer on the Board a discretion to enable it to grant latitude to borrowers where necessary. Although the Board will not, as a general rule, depart from the principle which requires all loans to be repaid within a five-year period, it may exercise a discretion when reviewing the terms of repayment or considering the position of existing loans, and amounts owing may be allowed to run on after the end of the five-year period. Reference to the Board's policy in this respect is made earlier in this report.

CONCLUSION.

51. It is generally recognized that the year just closed has been one of unparalleled difficulty for all lenders on rural securities, and the difficulties have been felt with special force by those companies and institutions which have been engaged in lending funds on the security of stock and chattels, a class of lending which even in normal times is fraught with special dangers. The difficulties occasioned by the severe decline in farming revenue, which upset all calculations and made it impossible for farmers to meet obligations which they had incurred in good faith and with every prospect of meeting them, were increased by the operation of the mortgagors-relief legislation, which imposed serious restrictions on the mortgagee's right to realize his securities. The Board has endeavoured to make the best of the position as it existed, and in a number of cases it has entered into equitable arrangements for the sharing of farming income with the mortgagee of the land after providing for necessary living and working expenses for the mortgagors and the payment of rates and taxes. In the case of association loans the policy to be adopted in such cases has been left primarily to the directors to determine, as the responsibility for any loss involved in carrying on mortgagors whose financial position is weak falls on the associations.

52. That in a period of such outstanding difficulty the Board and the associations have avoided serious losses and have succeeded in restricting the amount of interest outstanding to the moderate sum of £600 speaks well for the care displayed by all connected with the administration of the system, and for the desire of borrowers to meet their obligations to the fullest extent of their capacity.

53. The Board looks forward with confidence to a resumption of lending on a more extensive scale as soon as conditions in the farming industry become more stable. Proof that the system was devised and established on sound lines is afforded by the fact that it has successfully survived the severe test imposed by the unfavourable conditions which have prevailed almost since its inception, and with the return of more prosperous conditions there should be scope for a considerable expansion of its operations.

54. The Board again acknowledges with sincere thanks the capable and zealous service rendered by members of the district boards and directors and officers of rural intermediate credit associations whose work, largely unrecompensed according to commercial standards, has alone made possible the results recorded in this report.

55. The Board also places on record its satisfaction with the services rendered by those members of the Public Trust Office staff who act as officers of the Board.

I have, &c.

(for and on behalf of the Board),

J. W. MACDONALD, Commissioner.

The Right Hon. the Prime Minister.

APPENDICES.

APPENDIX I.

COMPARATIVE STATEMENT OF BUSINESS AS AT 30TH JUNE, 1932, AND 30TH JUNE, 1933.

| | 1932. | 1933. |
|--|-----------------|-----------------|
| | £ | £ |
| Investments (including loans made and face value of bills discounted) .. | 434,872 | 354,944 |
| Loans granted but not completed | 13,831 | 10,079 |
| Applications entertained and in course of consideration | 9,560 | 15,486 |
| | <u>£458,263</u> | <u>£380,509</u> |

The investments referred to above were made up as follows:—

| | £ | £ |
|---|-----------------|-----------------|
| Advances to associations for preliminary expenses | 801 | 835 |
| Advances to associations under Part II of the Act | 294,683 | 256,024 |
| Advances to farmers under Part III of the Act | 123,655 | 92,785 |
| Bills and notes discounted (face value) | 15,733 | 5,300 |
| | <u>£434,872</u> | <u>£354,944</u> |

The business dealt with by the Board up to the 30th June, 1933, or under consideration at that date, reached the total of £1,012,327, made up as follows:—

| | £ |
|---|-------------------|
| Applications under consideration | 15,486 |
| Loans granted but not completed | 10,079 |
| Loans paid and bills and notes discounted since the inception of the scheme | 986,762 |
| | <u>£1,012,327</u> |

APPENDIX II.

DIRECTORS AND SECRETARY-TREASURERS OF CO-OPERATIVE RURAL INTERMEDIATE CREDIT ASSOCIATIONS.

NORTH AUCKLAND DISTRICT.

Bay of Islands Association (Headquarters: Kaikohe. Registered 10th September, 1929)—

Directors: Herbert Martin Rockell, Kaikohe (Chairman); Hubert Knox Hatrick, Waimate

North; William Joseph Pole, Kaikohe; James Gray Ritchie, Kaikohe.

Secretary-Treasurer: Kenneth William Harold, Kaikohe.

Mangonui Association (Headquarters: Kaitaia. Registered 5th August, 1931)—

Directors: Thomas Hislop Kenny, Kaitaia (Chairman); Ellis Robert Bird, Awanui; Thomas James Coulter, Fairburns; Alban Walter Masters, Pukepoto.

Secretary-Treasurer: Roy Hillary Kelly, Kaitaia.

Northern Wairoa Association (Headquarters: Dargaville. Registered 9th October, 1928)—

Directors: Arthur Leslie Williams, Dargaville (Chairman); George Druitt, Mamaranui; Frank Joseph Johanson, Parore; George Scott, Ruawai; Henry Polden Walton, Tokatoka.

Secretary-Treasurer: William Rogers Worsley, Dargaville.

Otamatea Association (Headquarters: Paparoa. Registered 3rd March, 1931)—

Directors: Edward Thomas Rodney Coates, Matakoho (Chairman); William Richard Betts, Ararua, Matakoho; Walter James Littin, Kaiwaka; Leonard Ramsbottom, Whakapirau.

Secretary-Treasurer: Thomas Casement Aikin, Paparoa.

Whangarei Association (Headquarters: Whangarei. Registered 9th April, 1930)—

Directors: John Horatio Hayward, Maunu (Chairman); John Breslin, Titoki; Richard Feaver, Maunu; John Jacob Fraser, Maungatapere; Edward Snell Tremaine, Ruatangata.

Secretary-Treasurer: Douglas Leith Ross, Whangarei.

AUCKLAND DISTRICT.

- Helensville Association* (Headquarters: Helensville. Registered 11th October, 1928)—
 Directors: James Mackie, Helensville (Chairman); Albert Hanson, Helensville; Herbert Chaplin Henley, Kaukapakapa; Harold Phillip McLeod, Helensville.
 Secretary-Treasurer: Frank Taylor, Kaukapakapa.
- Papakura Association* (Headquarters: Papakura. Registered 7th October, 1930)—
 Directors: Alexander David Bell, Clevedon (Chairman); John Luke, Clevedon; John Muir, Brookby; William Harold Walters, Karaka.
 Secretary-Treasurer: Gordon Fawsitt McDonald, Papakura.
- Waiuku Association* (Headquarters: Waiuku. Registered 12th June, 1928)—
 Directors: Archibald White, Glenbrook (Chairman); Frederick Alexander Harcombe, Kohekohe; Arthur Lansear Hull, Waiuku; David Sands, Pukeoware.
 Secretary-Treasurer: John Murray Heise, Waiuku.

WAIKATO DISTRICT.

- Hamilton Association* (Headquarters: Hamilton. Registered 7th May, 1928)—
 Directors: Walter Cooper-Smith, Frankton Junction (Chairman); Herbert John Coxhead, Claudelands; Charles Edwards, Frankton Junction; Arthur Wallace, Frankton Junction.
 Secretary-Treasurer: Thomas Gordon Reynolds, Hamilton.
- Hauraki Association* (Headquarters: Paeroa. Registered 21st July, 1928)—
 Directors: Murdo Archibald Carter, Awaitei (Chairman); John Kenneth Dean, Paeroa; Edwin John Charles Townshend, Paeroa; Vivian Young, Hikutaia.
 Secretary-Treasurer: Arthur Thomas Jones, Paeroa.
- Huntly Association* (Headquarters: Huntly. Registered 21st January, 1931)—
 Directors: William David Thompson, Wakapuaka (Chairman); John Hoyle Furniss, Ruawaro; Harry Simpson Hall, Te Kauwhata; Sydney Spencer, Waiterimu.
 Secretary-Treasurer: William Gaitt Clavis, Huntly.
- Katikati Association* (Headquarters: Tauranga. Registered 18th September, 1929)—
 Directors: Samuel Charles Baron, Aongatete (Chairman); Robert John Black, Katikati; David Charles Douglas Thomas, Aongatete; Marcus Nicholson Trotter, Aongatete.
 Secretary-Treasurer: Alfred John Gallagher, Tauranga.
- Matamata Association* (Headquarters: Matamata. Registered 12th September, 1930)—
 Directors: Henry Rollett, Matamata (Chairman); Daniel Robert Gunn, Matamata; Hector Sutherland, Okauia, Matamata; Edmund David White, Putaruru.
 Secretary-Treasurer: Harold Elbert Schofield, Matamata.
- Mercury Bay Association* (Headquarters: Whitianga. Registered 4th October, 1932)—
 Directors: Harry Norman Arthur Wells, Whitianga (Chairman); John Hamilton, Whenuakite; Ernest Mark Minifie, Coroglen; James Watts Smith, Kaimarama.
 Secretary-Treasurer: Frank Henry Broad, Whitianga.
- Morrinsville Association* (Headquarters: Morrinsville. Registered 22nd September, 1928)—
 Directors: George Henry Pirrit, Morrinsville (Chairman); Wilfred David Cunningham, Kereone; John Henry Gaddes, Morrinsville; Frederick Chafe Kennedy, Morrinsville.
 Secretary-Treasurer: Joseph Lewis Faulkner, Morrinsville.
- Otorohanga Association* (Headquarters: Otorohanga. Registered 21st June, 1928)—
 Directors: Herbert Arthur Lurman, Otorohanga (Chairman); John Byrnes, Otorohanga; George Dixon Hall, Otorohanga; Jens Christen Petersen, Otorohanga.
 Secretary-Treasurer: John Francis Trapski, Otorohanga.
- Rangitiki Association* (Headquarters: Whakatane. Registered 29th October, 1929)—
 Directors: William Alexander McCracken, Whakatane (Chairman); Reginald Crocker, Whakatane; Walter Reid, Tancatua; John William Sumner, Whakatane.
 Secretary-Treasurer: Clement Arthur Suckling, Whakatane.
- Rotorua Association* (Headquarters: Rotorua. Registered 13th January, 1930)—
 Directors: Thomas Jackson, Rotorua (Chairman); Joseph Everard Martin, Rotorua; Selwyn Douglas Russell, Rotorua; Thomas Alexander Turner, Rotorua.
 Secretary-Treasurer: Gordon Thomas McDowell, Rotorua.
- Taumarunui Association* (Headquarters: Taumarunui. Registered 18th October, 1928)—
 Directors: Arthur Wesley King, Taumarunui (Chairman); John Blair, Taumarunui; Joseph Fry, Owango; George Peterson, Taumarunui.
 Secretary-Treasurer: Clive Andrew Stevenson, Taumarunui.
- Te Aroha Association* (Headquarters: Te Aroha. Registered 23rd November, 1928)—
 Directors: John David MacKay, Waihou (Chairman); Frederick Ernest Hughes, Waharoa; John Dennerly Johns, Te Aroha; Peter Alexander Swney, Waihou.
 Secretary-Treasurer: Frank Eugene Burns, Te Aroha.
- Te Awamutu Association* (Headquarters: Te Awamutu. Registered 12th June, 1928)—
 Directors: Charles Monrath Alexander, Te Awamutu (Chairman); James George Sutherland, Kihikihi; Walter Frederick Woodward, Te Awamutu; James Gladwin Wynyard, Te Awamutu.
 Secretary-Treasurer: James Gladwin Wynyard, Te Awamutu.

- Te Kuiti Association* (Headquarters: Te Kuiti. Registered 11th July, 1928)—
 Directors: James Nicol Boddie, Te Kuiti (Chairman); Robert Bell Cole, Te Kuiti; Edward John Jones, Oparure; John Christopher Rolleston, Te Kuiti.
 Secretary-Treasurer: Albert William Whyte, Te Kuiti.
- Te Puke Association* (Headquarters: Te Puke. Registered 8th October, 1929)—
 Directors: Henry Joclyn Gill, Te Puke (Chairman); Walter John Griffin, Te Puke; Charles Lewis Luke, Te Puke; Donald Stanley Ross, Te Puke.
 Secretary-Treasurer: Henry Thomas Cashmore, Te Puke.

HAWKE'S BAY DISTRICT.

- Central Hawke's Bay Association* (Headquarters: Waipukurau. Registered 31st August, 1932)—
 Directors: James Anderson Kerr, Waipawa (Chairman); Charles Chalmers, Waipukurau; William Cuthbertson, Takapau; David Eddy, Tikokino.
 Secretary-Treasurer: Dennis William Neild, Waipukurau.
- Northern Hawke's Bay Association* (Headquarters: Hastings. Registered 21st October, 1930)—
 Directors: John Henry Joll, Havelock North (Chairman); John Livingston, Marackakaho; John Anderson Miller, Hastings; Richard Edward Talbot, Ngatarawa.
 Secretary-Treasurer: Walter Edwin Bate, Hastings.
- Southern Hawke's Bay Association* (Headquarters: Dannevirke. Registered 24th June, 1930)—
 Directors: Harold Alexander Olsen, Norsewood (Chairman); Ralph Searle Chadwick, Dannevirke; James Doyle, Maharahara; Archibald William Montgomerie, Norsewood.
 Secretary-Treasurer: Marcus David Smith, Dannevirke.

TARANAKI DISTRICT.

- Kaimata Association* (Headquarters: Inglewood. Registered 1st October, 1928)—
 Directors: Henry Jones, Kaimata (Chairman); Alfred Maurice Allen, Inglewood; Alfred Corkill, Tarata; John Klenner, Kaimata.
 Secretary-Treasurer: Ian Percy Grant, Inglewood.
- North Taranaki Association* (Headquarters: New Plymouth. Registered 19th July, 1928)—
 Directors: Charles Joseph Harris, Oakura (Chairman); William Jones, Okoke; William Kennett Morris, Oakura; Roderick David Spence, Omata.
 Secretary-Treasurer: Dann Le Cren Morgan, New Plymouth.
- South Taranaki Association* (Headquarters: Hawera. Registered 21st March, 1928)—
 Directors: John Cocker, Eltham (Chairman); Louis Frank Bell, Mokoia; Ernest Samson Bennett, Manaia; Robert Joseph McCormack, Mangatoki.
 Secretary-Treasurer: Edward Knowles Cameron, Hawera.
- Stratford Association* (Headquarters: Stratford. Registered 25th July, 1929)—
 Directors: Alfred David, Stratford (Chairman); Ernest Albert Adlam, Waipuku; Herbert James Shrimpton, Lowgarth; William George Thurston, Stratford.
 Secretary-Treasurer: Robert Reid Tyrer, Stratford.

WANGANUI DISTRICT.

- Waimarino Association* (Headquarters: Ohakune. Registered 10th October, 1928)—
 Directors: George James Goldfinch, jun., Ohakune (Chairman); Louis Fetzler, Ohakune; Arthur Benjamin Harris, Raetihi; James Vincent Ranger, Ohakune.
 Secretary-Treasurer: Ira Valor Allan Dobbie, Ohakune.

MANAWATU-WELLINGTON DISTRICT.

- Horoehenua Association* (Headquarters: Levin. Registered 29th October, 1928)—
 Directors: Robert Gillies Wall, Kuku, Ohau (Chairman); Raymond Vickers Brown, Weraroa; Harold James Lancaster, Levin; Ronald Joseph Law, Shannon.
 Secretary-Treasurer: George Dacre Hamilton, Levin.
- Oroua Association* (Headquarters: Feilding. Registered 7th June, 1928)—
 Directors: Walter Lough Grice, Cunningham's (Chairman); John Bernard Bradley, Feilding; John Harold Mason, Feilding; George Watt, Kimbolton.
 Secretary-Treasurer: Thomas Leonard Seddon, Feilding.

WAIRARAPA DISTRICT.

- Pahiatua Association* (Headquarters: Pahiatua. Registered 1st October, 1930)—
 Directors: James Henderson Bremner, Ballance (Chairman); Edward Leighton Lloyd, Hamua; Joseph Edward Murphy, Pahiatua; Edward Russ Winkler, Makairo.
 Secretary-Treasurer: Stanley Keith Siddells, Pahiatua.
- Wairarapa Association* (Headquarters: Masterton. Registered 11th December, 1928)—
 Directors: Alexander Ross, Longbush (Chairman); Kenneth Groves, Longbush; Charles Shaw Hay, Langdale; Charles Churchill Jackson, Kopuaranga.
 Secretary-Treasurer: James Watson, Masterton.

NORTH CANTERBURY DISTRICT.

Canterbury Association (Headquarters: Christchurch. Registered 4th July, 1930)—

Directors: William Walter Mulholland, Darfield (Chairman); John Dryden Hall, Hororata; Colin McIntosh, West Eyreton; Robert Thomas McMillan, Irwell.

Secretary-Treasurer: Llewellyn Bowden Freeman, Christchurch.

Mid-Canterbury Association (Headquarters: Ashburton. Registered 24th July, 1929)—

Directors: Henry Charles Bayly Withell, Ealing (Chairman); James Carr, Methven; Alfred Gregory, Seafield; William Thomas Lill, Willowby.

Secretary-Treasurer: Edward James O'Brien, Ashburton.

OTAGO DISTRICT.

South Otago Association (Headquarters: Balclutha. Registered 20th May, 1930)—

Directors: Henry Cecil Holgate, Balclutha (Chairman); John Christie, Wairepa; Andrew Alexander Jensen, Inchelutha; Fred Waite, Balclutha.

Secretary-Treasurer: John Thomas Walter, Balclutha.

Tapanui Association (Headquarters: Tapanui. Registered 18th October, 1928)—

Directors: Edward Henry Murney, Tapanui (Chairman); Alfred Squires Herbert, Kelso; Mark McAuley, Tapanui; Arthur James Stuart Sim, Heriot.

Secretary-Treasurer: William Benjamin Naylor, Tapanui.

SOUTHLAND DISTRICT.

Central Southland Association (Headquarters: Invercargill. Registered 12th January, 1929)—

Directors: David Teviotdale, Isla Bank (Chairman); Robert Beggs, Wright's Bush; John James Blakie, Ryal Bush; Thomas McKenzie, Wright's Bush; James Young, Wallacetown.

Secretary-Treasurer: Eric Henry James Preston, Invercargill.

Eastern Southland Association (Headquarters: Invercargill. Registered 4th June, 1930)—

Directors: Peter Arnott, Seaward Downs (Chairman); William Barron, Morton Mains; Matthew Lawson Fallow, Fortification; James Milne, Kapuka.

Secretary-Treasurer: Adam Laurence Adamson, Invercargill.

Mataura Association (Headquarters: Mataura. Registered 13th May, 1929)—

Directors: Henry Cockburn, Mataura (Chairman); Francis Wilson Hamill, Ferndale; Angus MacKay Robertson, Mataura; Donald Wight, Tukurau.

Secretary-Treasurer: Charles Harold Hargest, Mataura.

Northern Southland Association (Headquarters: Gore. Registered 22nd July, 1930)—

Directors: Ernest Wardlaw Stevens, Balfour (Chairman); Alexander John Cameron, Wendside; Franklyn Gluyas, St. Patricks; Frank Walker, Waipounamu.

Secretary-Treasurer: Robert Stewart Green, Gore.

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