

individual farmers under Part III of the Act, guarantees by approved persons or companies for not less than 20 per cent. of the original amount of the loan, or, where deemed necessary, for a larger percentage. Where a loan is granted to a member of an association the advance is made by the Board to the association and the security from the farmer-borrower is taken in the association's name. The Board is suitably secured in each case by a charge over the association's assets and the investments made by the association out of the funds advanced by the Board.

The subject of the control of the system both centrally and in the districts is dealt with in detail later in the report.

RURAL INTERMEDIATE CREDIT REGULATIONS.

4. Comprehensive regulations in terms of the Act were issued on the 21st December, 1927 (*N.Z. Gazette* No. 88, 22nd December, 1927). These regulations deal mainly with matters of procedure and detail, and cover the following matters:—

- (a) The management of the affairs of the Board, the district boards, and co-operative rural intermediate credit associations:
- (b) The granting of loans by the Board:
- (c) The Board's discounting business:
- (d) Finance and accounts (including debenture issues by the Board):
- (e) Various standard forms are prescribed, such as the standard articles of association of co-operative rural intermediate credit associations, the instruments by way of security taken by the Board, guarantee forms, forms of debenture, &c.

Amending regulations for the purpose mainly of simplifying the proceedings of co-operative rural intermediate credit associations were published in the *New Zealand Gazette* No. 70, of 20th September, 1928.

ADMINISTRATION OF SYSTEM.

CENTRAL.

5. By section 5 of the Act the administration of the rural intermediate credit system is entrusted to a Board, to be known as the "Rural Intermediate Credit Board," and consisting of seven members. The Public Trustee, *ex officio*, is the principal executive member of the Board, with the designation of "Commissioner of Rural Intermediate Credit," and the remaining six members, of whom one at least must have practical experience in farming, are appointed by Governor-General's Warrant.

The personnel of the Board as appointed on the 6th February, 1928 (*N.Z. Gazette* No. 10, 16th February, 1928), is as follows:—

Colonel J. J. Esson, C.M.G., V.D., J.P., Wellington, Financial Adviser to the New Zealand Government, Chairman of the Rural Intermediate Credit Board.

Mr. J. W. Macdonald, Wellington, Public Trustee of the Dominion of Zealand, Commissioner of Rural Intermediate Credit.

Mr. John Brown, Lowcliffe, Canterbury, farmer.

Mr. T. E. Corkill, Wellington, formerly assistant general manager of the Bank of New Zealand.

Mr. Norton Francis, C.M.G., Christchurch, company-director.

Mr. J. N. Massey, Puni, Auckland, farmer.

Mr. W. Waddel, Wellington, Superintendent of the State Advances Office.

It will be observed that, although the Act requires the appointment of only one practical farmer, two have been appointed, one from each of the two Islands, so that farming interests are fully represented on the Board.

The Act also contains provision for the appointment of a Deputy Commissioner of Rural Intermediate Credit. On the 23rd March, 1928, Mr. J. Snell, Wellington, was appointed Deputy Commissioner, and discharges the duties of this position in conjunction with those of Controller of the Mortgage Division of the Public Trust Office.

The Board met for the first time on the 16th February, 1928, and meetings have since been held monthly, the regular meeting-day being the second Friday of each month. Shortly after the appointment of the Board Mr. T. E. Corkill left the Dominion on a trip abroad, and for this reason he has been unable as yet to attend meetings of the Board.