to discuss matters of policy and management with the promoters of the association. The conferences with the directors of associations and the full and personal discussion of all problems with which they have been faced have been of benefit in promoting the smooth working of the association method of providing intermediate credit for farmers.

41. *Suggested Conference of Representatives of Co-operative Rural Intermediate Credit Associations.*—At a meeting of the Dominion executive of the New Zealand Farmers' Union held on the 15th May, 1929, a resolution was passed asking the Board to convene a conference of representatives of co-operative rural intermediate credit associations and members of the district rural intermediate credit boards, with the object of arriving at a uniform method of dealing with applications. A reply was sent to the Dominion secretary of the Farmers' Union advising that a similar request had previously been received from the directors of an association, but it was considered that, in view of the fact that the greater number of associations had only recently been formed and had had comparatively little practical experience of the working of the system, and that special arrangements had been made for discussions by an officer of the Board with the directors of individual associations, it would be better to defer the question of summoning a conference until further and more extensive experience had been obtained.

42. *Formation of Associations.*—The thirteen associations referred to in the report of the Board for the period ended the 30th June, 1928, are still in active operation, and the volume of business transacted by several of the associations has reached a substantial total. In addition, the following eight associations were formed during the past year: Helensville, Te Aroha, Kaimata (Inglewood), Horowhenua (Levin), Wairarapa (Masterton), Tapanui, Central Southland (Wright's Bush), and Mataura. Since the close of the year under review the Board's consent has been given to the registration of the following six additional associations: Bay of Islands (Kaikohe), Rangitaiki (Whakatane), Mid-Canterbury (Ashburton), Stratford, Katikati, and Te Puke. In addition, it is probable that associations will be formed at Whangarei, Rotorua, Rangiora, and Balclutha.

The total number of associations formed to date is twenty-seven, of which twenty-three are operating in the North Island and four in the South Island; and, as noted in the previous report, the associations have been formed mainly in dairy-farming districts. In view of the Right Hon. the Prime Minister's announcement of the intended introduction of legislation providing for the increase of the existing limit of advances to £2,000, it may be expected that, if the increase is given effect to, greater interest in the system will be shown in sheep-farming and cropping districts, and movements initiated there for the formation of associations.

43. *Loans granted.*—As at the 30th June, 1928, no loans had actually been paid over to members of co-operative rural intermediate credit associations, although prior to that date loans had been approved in several instances and the preparation of the documents of security was receiving attention. By the 30th June, 1929, loans totalling £68,828 were outstanding to members of these associations, after crediting instalments received throughout the year in reduction of loans. Comparing the figures for the 31st August, 1928 and 1929 respectively, a substantial increase in the business transacted with associations is shown by the fact that on the former date the total of loans outstanding was £13,655 and on the latter date £89,530.

44. *Directors and Secretary-Treasurers of Associations.*—A list of the directors and the secretary-treasurers of the associations formed throughout the Dominion is printed in the Second Appendix to this report.

45. *Relations with Associations.*—The relations between the Board and the officials of the various associations have been uniformly satisfactory, and this has been testified at different times by acknowledgments on behalf of the associations of the value of the system to their members and of the treatment which they have received at the hands of the Board and its officers. As an example, the following statement, taken from the annual report of the Otorohanga Association, which has