periodical inspection of the work made by experienced officers, the most efficient standard of work is achieved, and uniformity of practice and procedure in the various branch offices is assured. During the past year a considerable portion of the time of the Reviewing Inspectors was devoted to the inspection of the intermediate credit work.

SYSTEMS OF RURAL FINANCE IN OTHER COUNTRIES.

68. The experience of institutions in other countries administering systems of rural finance is of special interest to the Board in the administration of the intermediate credit system in the Dominion. The novel features of schemes introduced in other countries and the practical experience of institutions administering existing schemes are carefully noted, so that should it be thought advisable to make any modifications in the New Zealand system the Board will have the experience of other countries to guide it in formulating or discussing proposals for modification of the scheme. Steps have accordingly been taken to ascertain and keep the Board fully advised of developments in connection with systems of rural finance abroad.

69. *Ireland.*—Interesting particulars were received during the year regarding the commencement of the operations of the Agricultural Credit Corporation set up in the Irish Free State under the provisions of the Agricultural Credit Act of 1927. The corporation, which has State backing both in regard to its initial share capital and additional funds raised afterwards by debenture issues, is authorized to make loans upon the security of farming-land, and to advance funds also upon securities similar to those which the Board may accept, both direct to farmers and indirectly to them through the medium of co-operative creameries. A pamphlet issued by the corporation indicates that it is making a special endeavour to develop its lending business through the latter channel, recognizing that the creameries have a vital interest in the increase of production by their suppliers. The experience of the corporation in dealing with individual farmers has been that in many cases creameries could secure a larger milk-supply if some simple means of obtaining capital were available locally to farmers. It is stated that many dairy-farmers who might stock more cows are unable to do so for want of capital, while others who are anxious to change over to dairying cannot do so for the same reason, and business is thus lost to the creameries.

The scheme placed before the creameries by the corporation is that each of the creamery societies should set up a special credit section to consider applications for loans from its farmer members. The credit section will be controlled by a sub-committee of the committee of management of the society, to be known as the "Credit Committee," which will recommend or reject applications for loans made by members of the society. The loans recommended will then be reported to the committee of management, which will have an absolute veto on the recommendations of the credit committee. Application will then be made to the Agricultural Credit Corporation, for an advance equivalent to the total amount sanctioned by the committee of management, and the society will assume full legal responsibility in respect of advances made by the corporation in response to applications made from time to time by the committee of management.

Before the corporation will make advances to a creamery it will require the society to enter into an agreement under which the society agrees to adopt certain standard rules approved by the corporation, and undertakes not to alter its rules without the approval of the corporation. The society is also required to open a special account with a bank approved by the corporation, and to authorize the bank to hold to the use of the corporation all moneys lodged or credited to the account, and to refuse to honour any cheques drawn on the account except cheques drawn by the corporation. Thus all moneys paid to the creamery society by borrowers in reduction of their loans are immediately at the absolute disposal of the corporation and cannot be utilized by the society for any purpose whatever.

Another feature of the loans to be made through creamery societies is that it is contemplated that each individual borrower through the society shall obtain from two or more other farmers a guarantee for the repayment of the whole debt, supported