

also be approved by the committee as a man of good character, worthy of admission to the society. All the members have an equal voice in the election of the committee of management.

Through these societies, loans are made to members on approved security for a specific purpose of such a productive nature that the loan may be repaid through the activity in which it is invested. The maximum loan is £50.

Deposits

The societies are permitted to receive deposits either from members or non-members and to pay interest on them. All profits are carried to a reserve fund for the purpose of meeting possible losses and no dividends are permitted. The only benefit which any person receives by becoming a member of the society is the special benefit of receiving loans.

The loans are taken out for any purposes likely, in the opinion of the loaning committee, to prove profitable, such as the purchase of sheep, pigs, cattle, horses, to procure seed, plants or manure, or for the employment of extra labour, and are made repayable at the time when the borrower may expect to reap the return of his expenditure, generally running from six to twelve months. Loans are granted for a period of two years under certain special conditions.

The rate of interest varies from $4\frac{1}{2}$ per cent to 6 per cent.

The total amount of loans under these societies is not large and they have not played a very large part in the development of agriculture in Great Britain. Perhaps the chief reason for this is the unpopularity in Britain of the principle of unlimited liability and the fact that Great Britain is served so thoroughly by joint stock banks as compared with other countries on the continent of Europe.

Some of the joint stock banks have been willing to assist in financing these societies; in fact, many of them have offered their co-operation but even this did not assist the growth to any considerable extent.

In Ireland, organization of credit societies of the type just described has been much more rapid. In 1913, there were 236 of these credit societies in Ireland, with a total membership of 19,105 and a loan capital of approximately \$275,000 and a turnover of about the same amount.

This probably represents the position in the United Kingdom at the outbreak of the war so far as Short Term Credit was organized among the farmers.

Long Term Credit

Long term credit in Great Britain has always been regarded as a field for private enterprise. In order that permanent improvements might be carried out by land owners, special corporations were organized, under government regulation, but without government assistance, for the purpose of making loans to farmers. For example, the General Land Drainage Company was formed in 1849, the Land Improvements Company in 1853, the Scottish Drainage and Improvement Company in 1856 and the Land Loan and Enfranchisement Company in 1860. The first and last of these just mentioned were absorbed into the Land Improvements Company in 1864.

All these companies were authorized under statutory authority which permitted charges to be made against estates. The interest was limited to 5 per cent. Since the war, it has been found necessary to remove the 5 per cent limit and to allow the rate of interest to be fixed by the Board of Agriculture.

The Improvement of Lands Act of 1864, authorized land owners to raise loans on mortgages against their estates. From its inception the Land Improvements Company authorized under the Act advanced approximately £13,000,000 for various improvement purposes.