

## APPENDIX No. 3

the improved marketing facilities, have undoubtedly been the means of considerably increasing the area under flax, 1905-06.

The dairy societies have been, as in Denmark, of the greatest help to the Irish farmers. Dairy societies which had not hitherto engaged in agricultural trade are now recognizing the advantages derivable from the co-operative purchase of manures, seeds, &c., and are evincing quite a keen interest in the consolidation of business and federation for that purpose with the I.A.O.S.

In districts where co-operative credit societies have been established in contiguity, if not in actual connection, with agricultural societies, it has been found that the bearing which one has on the other, undoubtedly tends to the usefulness and prosperity of both societies.

Further it is interesting to note that the Irish Agricultural Wholesale Society was the first body in Ireland to guarantee the percentage of purity and germination of farm seeds, and has thus been able to raise the standard of seeds to the great advantage of the farmers: and by reducing the cost of artificial manures has increased their use enormously, while the action of the Department of Agriculture has led to a more intelligent application of fertilisers.

It may also be of interest to mention that the I.A.O.S. have arranged a scheme which enables members to obtain compensation for workmen's accidents by small premium of 3 per servant: and to insure their live stock from death by accident or disease for 4 per cent annum.

I should like to quote one sentence from the speech of Sir Horace Plunkett at the last Annual Meeting of the I. A. O. S. :—

'The provision of funds from public sources must be regarded as temporary. I make two exceptions. Co-operative credit—a matter of vital concern to all farmers who intend to improve their system of agriculture, as they will have to adopt more tillage, with its corollary of winter dairying, and also live stock insurance, both of which at a later stage, I think, might be directly organized by a Government department, with a view to the gradual development of a scheme which will justify the financing of farmers' credit associations with public moneys on the lines followed in Germany and elsewhere, abroad.'

## FRANCE.

I now quote a few extracts from an article on agricultural credit in France in the New Zealand Farmers' Stock and Station Journal, which was reproduced in a Rhodesian agricultural journal, which I read here in Ottawa. The paper in question points out that the earliest attempt at the establishment of a co-operative credit bank was made in 1884, when a society was formed at Poligny with a capital of \$4,000, of which one-half was paid up. Notwithstanding its small capital, this society was very successful, but its example was followed in only a very few instances. In 1893, rural banks on the Raiffeisen system began to be introduced, and in 1901 there were 543 of these associations federated in a central society. Based on the principle of the unlimited liability of the members for the debts of the society, it was found that bankers would grant advances to societies of this kind without any guarantee, so that little capital was required. The safety of the money lent to members was ensured by confining each society within very small limits, usually a parish, where the circumstances and character of the members are easily known.

In order to encourage agricultural credit, a law was passed in March, 1899, which provides for advances from state funds, free of interest, to direct or regional banks (Caisses regionales). These banks are unions or federations of local banks affiliated banks, their capital being derived from the State grants and from shares subscribed by the local banks. The total sum available for this purpose was \$8,000,000 with an annual addition of not less than \$400,000. The advances are now regulated by a committee, according to a decree dated 11th April 1905.