

In 1914 an attempt was made to amalgamate these village banks and to still further enlarge short-term credit by the formation of the Danish Co-operative Farmers Bank, a semi-co-operative institution the bulk of whose share capital was found by some of these co-operative societies. Its object was to conduct banking business for its members, and it was for some years largely successful. In 1921 the bank attempted to get all the co-operative societies in the kingdom to submit to the regulations of the Bank Act (which does not apply to such societies), and was met by a refusal from a great many of them. The management was then changed, and entrusted to two experienced bank-managers, who were given wide powers of control. In 1922, however, the bank made heavy losses in advances to the dairy co-operative societies, and further shipping losses in 1924 sent it into liquidation, the depositors losing 24 per cent. of their deposits. The statement is made that the managers, influenced by abnormally high prices, took risks which were not justified by sound banking principles. It is doubtful whether this bank will be successfully re-established. Its failure was chiefly due to going outside co-operative business and an unsuccessful attempt to finance risky shipping and industrial ventures, which were quite outside rural co-operative finance. The short-term co-operative societies are, however, still continuing in successful operation. Short-term loans for agriculturists are also made by the Danish savings-banks, which are private institutions. These loans are renewed from time to time for satisfactory clients.

The bonds of all the long-term credit associations of Denmark are quoted daily on the Copenhagen Stock Exchange. "In fact, in these securities is invested by far the greater part of the private and public wealth of the kingdom" (Harold Faber, "Co-operation in Danish Agriculture").

The Commission on the sale of bonds is one-tenth of 1 per cent. Borrowers pay a contribution to the reserve fund of their association, generally amounting to 2 per cent. of the loan. The half-yearly charge includes interest, amortization, and working-expenses. The amortization portion of the charge is employed in the redemption of bonds by lot. These are drawn every six months, and bonds drawn are redeemed at par, their numbers being advertised in the daily Press.

The Danish authorities generally agreed that there are too many groups, and that it would be better, instead of having thirteen first-mortgage, nine second-mortgage, and several short-term groups, to have one central authority watching over the whole of the functions of farm-loan credit.

#### HOLLAND.

No financial assistance is given by the Dutch Government to the various agricultural institutions operating in the Netherlands. Religious and political elements are, however, utilized to secure co-operation. The priest and the schoolmaster are closely associated with these institutions through the village groups, while the State provides inspection and guidance. A Commission of Inquiry had recommended that the three leading institutions, with headquarters at Eindhoven, Utrecht, and Alkmaar, should be united, but the denominational organization at Eindhoven, which is the strongest, has declined, so far, to agree to such a measure. This organization, known as the Co-operative Central Boerenleenbank of Eindhoven, is a well-managed institution combining the operations of short-term and long-term credit in two separate departments. It consists of a central bank, which does not make loans to individuals (although it sometimes does to large agricultural societies whose requirements would be beyond the capacity of its member credit banks), and a mortgage bank which lends on long-term mortgage up to forty years. There are 512 member credit banks, whose capital is obtained from the savings deposited by members and the funds supplied by the central bank. These banks lend up to 80 per cent. of their value on shares and bonds, and up to 66 per cent. in rural properties for periods not exceeding ten years. The largest number of loans are made against personal guarantees. The credit banks' charge for advances, either against personal guarantee or with collateral security, varies from 4 to 4½ per cent. Loans on long term are made at 4¾ per cent. which, plus amortization, is payable half-yearly; when the mortgage is repaid the borrower is discharged from