

ings when loans are being considered, and no loan may be granted unless a majority of the attending supervisors consent thereto. The committee of supervision watches over all other affairs, prepares the annual report, and has such other high functions that it is practically the ruling power. Local committees of borrowing members act as agents and guard the interests of the Institut in the provinces. The by-laws may be amended or the Institut itself dissolved by the general assembly, but only upon a proposal submitted by the founders' assembly, which is convened by the board of directors. No resolution of this nature, however, has any effect until approved by the Hungarian Government. A special commissioner appointed by the Government is charged with the duty of seeing that the Institut observes the laws and conducts its business in a satisfactory way. He must countersign the annual report, may attend all meetings of members and officers, and is empowered to set on foot whatever investigations he deems advisable.

The objects of the Institut are to grant loans to individuals and coöperative associations on the security of rural properties, to finance land improvement and reclamation projects, to receive deposits, to do commercial banking, and to purchase mortgage loans made to small holders by the coöperative credit societies affiliated with the Hungarian Central Society for Coöperative Credit described in a later chapter. The Institut operates entirely in the interest of borrowers, and for this reason the Government has granted it special privileges by exempting it from taxes on business done and from stamp duties and by recognizing its debentures as legal investments for trustee funds. The debentures issued on land-improvement projects are non-taxable. Summary proceedings may be resorted to against debtors in default.

Except in the case of the mortgages of small homesteaders, the minimum for loans is \$4,900. The majority of loans actually granted are for sums of less than \$24,500. Long-term loans are subject to obligatory amortization and are made in debentures according to the German landschaft plan.