

Bank of Liege. Its direct lending alone (in advances and discounts without including cash credits) amounted to 6,263,545 (£250,541), as compared with 3,940,746 francs in Liège. And that with a paid-up capital of only 599,000 francs (£23,960). I have sometimes been asked: What do these people borrow money for? It would be difficult to say. No account is kept of that. And by far the greater portion of the lending is done by way of cash credits, which is in truth the most useful and most educating of all forms of lending. Evidently the cash credits granted have been put to good commercial use. For in 1895, 12,705,895 francs had been drawn out and 11,636,831 francs paid in. The account is accordingly anything but "dead." And the business is so sound that, after carrying 1,941 francs to the reserve fund already standing at 70,210 francs; and 1,001 francs to the provident fund previously figuring at 116,178 francs; besides allowing 1,500 francs to the managing committee according to attendances, the bank was in a position to pay to its shareholders 38,370 francs in dividend, at the rate of 6 per cent. From an English point of view, I look upon the People's Bank of Verviers as perhaps the most instructive that there is.' [People's Banks, page 292.)

This and many other quotations that could be given dispose of the contention based upon concentration of trade. Those who would use this so-called argument ignore or forget the wants that co-operative credit associations are apt to satisfy, and experience shows their error.

#### LAWS ON CO-OPERATION.

The force of credit co-operation is such that, strange as it may appear, it has in most cases preceded the laws. Nothing can better show the necessity of this form of organized credit. In the inception of this movement, the legislators were perhaps justified in hesitating, considering above all the ideas prevailing then in Europe against any form of democracy. But now, especially in America, can any such hesitation be justifiable, with the object lessons that history offers us and the enlightenment it gives?

Mr. Peters says that the absence of a law has been very detrimental to the spread of co-operative credit:—

'In Italy, as elsewhere, the system of co-operative banking began to exist among the people before it was provided for by law, legislation coming afterwards, in compliance with a popular demand, to remove obstacles to the working and provide facilities for the creation and development of the new institutions. The first legal recognition of them occurs in the code of commerce of 1882, in which articles 211 to 228 inclusive were devoted to co-operative societies, including those of the class under consideration. This was eighteen years after the first societies of this latter class had been established in the country.' (Page 88.)

And further on:—

'One thing which is shown by the history of these associations is the large extent to which their multiplication and prosperity are dependent on the existence of appropriate laws. In Italy, for example, popular banks existed about eighteen years before the enactment of the new commercial code of 1882, which for the first time gave them a proper legal recognition; but at the end of 1881 there were only 171 in existence, whereas during the next eight years the number rose, under the favourable influence of an improved legal status, to 692. That is the number which came into existence in the eight years following the adoption of the new code of commerce was over three times as great as the number existing at the end of 1881 as the result of the efforts of nearly eighteen years preceding that date. And other illustrations might be cited to the same general effect. From this point of view the general subject of co-operative associations, and of the laws under which they have successfully operated, both at home and abroad, is worthy of the most careful study of our own state legislators, since it is in their province that the necessary legislation upon this subject