activity, thought and service of their members.

12. Their tendency to develop high forms of individual capacity, of public life and of national character, and finally and most desirably their tendency towards calling forth habits of thrift, economy and prudence, guiding their outlay into productive channels, giving them credit for productive and useful purposes, promoting union and associated action among very often too isolated units.

13. Being administered by the people of the local population's own choice, they soon and rightly conquer the confidence of everyone.

14. Unlike the ordinary or official savings banks, they have not a mere slot in their wall through which to receive money, but a mouth wherein to give advice, and a heart wherein to feel. In their keeping depositors or members may so speak, see their money, see it safely held, see it laid profitably in the locality, benefiting the district and producing more money, whereas, elsewhere, it disappears to go no man rightly knows where, up in the large monetary market, while the poor is the victim of the shark.

15. They are the best means to put an end to usury, this frightful cancer that is causing so great evils among the laboring classes.

Unfortunately, usury is rife in your midst as elsewhere, and the recent pamphlet published by the Charities' Publication Committee of New York, under the direction of the Russell Sage foundation of this city, being a carefully prepared report by Mr. Clarence W. Wassam, is an uncontrovertible witness to the existence here of this terrible plague. The cases quoted in this pamphlet recall to my mind the most ugly ones I have noted in Canada, and it was with deepest pleasure that I have read the very valuable article written by so eminent an authority as the bank commissioner of your state, the Hon. Pierre Jay, published in Collier's of January last. May I be allowed to add here that no matter how stringent it may be and how rigidly enforced, no law can stamp out usury. Centuries of experience have demonstrated this truth. The most dreadful penalties have been imposed in ages gone by, but with no avail, until this all-powerful remedy has been found and applied in Europe as shown by Mr. Jay.

To sum up, the association that I have endeavored to describe lends to its members and borrowers from them by receiving their savings, either as shares or deposits, for thrift must precede credit. This is a fundamental principle, which it would be dangerous to depart from, even if it could be done. Nothing can be more simple, the more so still when one considers the conditions under which this is to be done. No wonder that those simple organizations should have spread almost all over the civilized world, but specially in Europe, where they originated, among all classes, industrial as well as agricultural. Their number today must reach 40,000, with many millions of members and a general annual turn-over of at least twenty billions of francs, or four billions of dollars. In this huge movement of funds, what strikes most forcibly is the comparatively small amount contributed by each society, showing that each one is moving in a very small area, but doing nevertheless, in its restricted sphere very beneficial work.

Considering these results, one cannot wonder why eminent economists of leading countries have taken a deep interest in such a movement, that has sprung from the very bosom, so to speak, of the masses of the working classes. Everywhere inquiries were made, encouragement of all sorts were given, laws were passed, and that solicitude, acting as the rays of the sun upon an abundant crop, brought every effort to a richer and more beneficial maturity. Books have been and are published in every language and each year sees the enormous progress and expansion of these really people's banks, even in countries like East India.

Authorities

Let me state here that one of the best books I have ever read is that of Mr. Edward F. Peters, of the office of the statistician of the department of agriculture at Washington. This most valuable book is the result of an extensive and official inquiry instituted by your national government as far back as 1892. Mr. Peters does not hesitate to recommend the introduction of these co-operative banks into the United States for the special benefit of the working classes, and generally of all those who cannot have access for credit to the existing financial institutions. I am particularly happy to have such an authority to rely upon when I venture to say, as I am going to do, that here as well as in other countries these societies would do an immense amount of good without injury to anyone, save the shark.

Practicability of Co-Operative Banks

A question now arises, no doubt, in our mind, "Can such banks be established on this continent?" One would object perhaps, that there is no need of them, that the ordinary banks are catering to all legitimate wants. This brings us face to face with the usury problem. How can one explain if this objection is sound, the huge amount loaned for usurers all over the country. To prove this, I have only to take the report for 1907 of the Provident Loan Society of New York, organized specially to provide for the wants of small borrowers, and we find out that of 283,045 loans granted in that year, no less than 236,530 were for amounts varying from less than one dollar up to $50. And that society does business in Greater New York alone, with only six loaning offices. Surely the population of New York is not the only one who should feel the necessity of borrowing such small sums as one dollar. But in order to better realize the significance of this figure of 236,530 loans, let us detail the elements of which it is formed. We find that loans of one dollar and under amount to 4,043; those of $5 to $1, 39,517; of $10 to $5, 52,237; of $25 to $10, 96,283; of $50 to $25, 44,450. Nothing could better convince one of the existence of such wants and the necessity of providing for them in a systematic and educative way. By letters received lately from various parts of your great republic, I am safe in saying that the same state exists almost everywhere.

But another objection raised is that the working classes would be unable to work out such a scheme. Why should our American laborers, artisans, mechanics be less intelligent, less able than those of the various countries of Europe? Or are they less honest? Surely not. One would also object to the shifting character of your population. I admit that therein lies a certain difficulty, but can it not be overcome? I decidedly believe it can be.

I have had to face the very same objections when I proposed to start such a society in Levis, Canada, and after eight years of practical working. We started with not a cent in the chest, and now our general assets were, on the 14th of February, $85,892.94. We have loaned altogether, $377,686.27, and up to this date more than eight years of existence, we are proud to say that we have not lost one cent, although the number of our loans have reached 2,450. Out total membership is over 1,000 in a population of about 7,000, mostly of the laboring class.

This example is now bearing its fruits, for since twelve to fifteen months ago I have had the pleasure to organize 22 similar co-operative banks in Quebec alone. If the movement had not started to expand earlier, it is because I have always refused to give my aid elsewhere until the Levis experiment had been completed to my entire satisfaction.

It may be said that in a panic these banks would be upset by runs. Is it likely? Experience has shown to the contrary. When are the shareholders of a bank upsetting their own institutions? No, it is the mere depositor, not the shareholder, that loses his head first; and do not forget that in these co-operative banks there is no depositor who is not also a member.

But experience, I said, has proved that this fear need not be entertained. In 1893, Italy was in the turmoil of the greatest financial panic ever seen there. The largest banks were falling down, like corn under the mower, and people were so panic-stricken that in many cities thousands upon thousands of depositors spent whole nights waiting at the doors of the banks to draw their money. And while this was going on another stampede was taking place at the Blanche Popolare, or people's banks, of the type here described, but there the storm was of a very different character,

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