

affairs of the association and watching their acts. This supervising body is another safeguard that cannot be but highly appreciated.

OFFICERS WORK GRATUITOUSLY.

Mention has already been made incidentally of the fact that the officers are to work gratuitously. Mr. Wolff is very clear upon this point, and I cannot do better than quoting such an authority to strengthen my own view:—

‘Beyond this,’ says Mr. Wolff, ‘officers are expected to work altogether for nothing—not only in order that only the most trusted and the most willing may be selected, but also in order that they may be fully independent, free to refuse favours to improper applicants, who might threaten in revenge to turn them out of their “office of profit” become covetable under the circumstances, by the hostile use of their vote. There is only one officer who is allowed to draw a moderate salary, and that is the secretary or treasurer, or clerk—call him what you like—who is entrusted with the purely mechanical work of carrying out the committee’s directions, and has no voice whatever allowed him in the responsible management of the bank, the election of members, or the granting of loans. In such manner everything is kept “clean” and straight. Such abuses as we see in some co-operative societies at home and abroad, in which the salaried staff of the society invests itself, in virtue of the votes which it possesses, with the power of a Prætorian guard, more or less arbitrarily nominating committee-men, not according to their fitness and conscientiousness in the discharge of their duties, but as they make themselves agreeable to the staff by indulgence, are altogether impossible in banks so organized.’ (C-operative Credit Banks, page 38.)

GENERAL PRINCIPLES THAT SHOULD PREVAIL IN CO-OPERATIVE CREDIT ASSOCIATIONS.

In discussing the long debated question of ‘agricultural and industrial credit,’ Mr. Wolff outlines incidentally some general principles that should guide the management of co-operative credit associations. The following lines are worth remembering in order that they be applied faithfully:—

‘Your man must be absolutely trustworthy; your transactions are likely to be comparatively few. Loans will be demanded for long terms, the turnover will be slight. The margin between incomings and outgoings will be small. You will have to cut down expenses to the utmost and make gratuitous services the rule, which you can the better do since the call made upon your officers is not likely to be very exacting. You cannot adopt commercial methods, which your clients will not understand and which would be out of place. But you have all your members well under your eye. You can control every one of them, and make them control one another. You can interest the mass of your members even in the petty affairs of the bank, and so make your machinery more effective by arming it, to repeat my earlier simile, with watching eyes and checking hands at every point. You can effectively check your clients’ employment of their loans. You can bring class feeling and local feeling, and moral and social influences to bear. Therefore, if you have to be very careful in the selection of your members, you may also stoop very much lower in the social scale, and admit even very poor persons, so long as you can make tolerably sure that they are honest. Business with outsiders becomes an impossibility. Finally, resting your system mainly on liability, you must apply yourself to strengthening your available capital by carefully raising up a reserve fund, which you can scarcely make too strong.’ (“People’s Banks,” page 39).

So stated, the two cases appear to me, at any rate—fully to explain themselves, and there seems no room for even theoretical antagonism between them. The two methods are not rivals. Each directly supplements the other; and, indeed, each seems incomplete without the other to supplement it. It is satisfactory to think that after long, needless, and bootless hostility between the advocates of the two, the view to