

APPENDIX No. 3

another would be to invite failure. This has been well understood wherever a law has been passed having the organization of co-operation in view. Whenever the law has not been of a liberal character, co-operation has suffered and more or less languished on that account. It is therefore necessary to grant full freedom of action to the interested parties, nobody being likely to suffer but themselves, if they make mistakes.

This question is examined by Mr. Peters, and his opinion is as follows:—

‘The only special condition by which co-operative enterprises needed to be differentiated from others of a fair and worthy character was that, in their organization, methods of procedure, and objects of pursuit, co-operative associations should be judiciously adapted to the needs of the poorer classes of society, for whose especial benefit they were designed.’ (Page 10.)

Further on, he adds:—

‘They differ among themselves in many particulars, the most important being that which relates to the degree of liability assumed by the members, but in general they agree in the possession of characteristics which adapt them to the uses of the working classes and entitle them to be regarded as co-operative in the most essential and important elements which enter into the special signification of that word.’ (page 10.)

And on page 13:—

‘For example, institutions that would be adapted to the coloured tenant cultivators of the South, might not be suited to white agricultural tenants in the North and West; while such as are adapted to the last might fail to meet the requirements of the poorer class of agricultural proprietors. In any attempt to organize an association in a particular district the prevailing need, the habits, characteristics and circumstances of the people, and in a district with a large foreign population even the nationalities most largely represented would have to be duly considered.’

And according to Mr. Peters, ‘there is, however, a vast field in our country for co-operative credit.’

Further on, he adds: ‘When a plan is presented which, in its adaptation to the wants and circumstances of those for whom it is intended, has within it the germs of a vigorous life, the people are not slow to adopt it and improve upon it in the light of their experience.’

‘Most of the foreign associations have had to adapt themselves to the needs of a poorer class than would be found in any considerable number among corresponding elements of our own population. And in this connection it is of interest to observe that the capacity for successful association has been found to co-exist not only with deep poverty, but also with extreme illiteracy. Some of the Italian provinces in which the popular banks are especially numerous, hold a very low rank educationally, as is shown by the official statistics; and Russia would undoubtedly furnish us some striking examples on the same point.’

The idea of forcing a theory upon an unwilling public has been tried in Belgium by M. d’Andrimont, and failed to a very large extent. In his ‘People’s Banks,’ Mr. Wolff says:—

‘Facts have proved too strong for him. Unlimited liability showed itself as little acceptable to Belgians as it was to Italians. At the outset it was accepted only because its significance was not understood. When in one of the banks, some years later, it was proposed to limit the liability to—I think it was fifty times the value of the share—members, who had up to that time made themselves answerable for the bank up to the hilt with absolutely the whole of their possessions, shrank back in alarm, declaring that they could never accept so heavy a responsibility. In respect of other points, no less, M. d’Andrimont’s close adherence to his German model has for some time stood in the way of entire success. For a long period the movement dragged heavily. Some banks grew up rapidly, but their number and their business remained