

entitles one to membership. The Board must make recommendations to the general meeting upon all measures which in its best judgment seem to be necessary to insure the prosperity of the society. It acts also as a board of arbitration in cases of conflict and of appeals prescribed by the by-laws.

THE CREDIT COMMITTEE

The Credit Committee deals exclusively with loans to members. Its duties are delicate and important and the selection of its members must be made with care. Men possessing experience, prudence and generally well acquainted with the moral character of the members should be selected, for it is the moral character of the borrower that will be the prime guarantee of the faithful reimbursement of the sums borrowed. No loan can be made by the manager without having been first unanimously agreed upon by the Credit Committee. If one member present is opposed to a loan or does not give his consent to it, the decision is suspended until he has obtained all the information necessary to justify him in sharing the opinion of his colleagues. If such an unanimity cannot be established, the loan is refused.

The cooperative people's bank should loan money only for productive purposes as for emergency needs, never for a frivolous or extravagant purpose. Expenditures of this sort cannot benefit the borrower. The bank being organized not for the purpose of damaging its members, but of helping them to become more prosperous, should never agree to such loans. It is for this reason that the borrower is always compelled to tell the manager the object for which he seeks a loan. If he deceives the society this is sufficient to cause his immediate expulsion as a member.

The Credit Committee supervises with great care the repayment of loans and must always stimulate the manager to compel payment of any arrears. It should never allow a borrower to be in default in his payments, even for one day, without satisfactorily explaining why he has not been strictly faithful to his engagements. This is an important point, for to permit such bad habits to take root among borrowers