

it will also appear that, while the largest class—the German loan and credit unions of the Schulze-Delitzsch types—were more particularly designed for the workingmen and small tradesmen of the towns and cities, these associations, with others modeled upon them, have in a large measure extended their utility to the smaller farmers and other rural inhabitants in the neighborhood of the places in which they are organized. And, in the case of the German loan fund unions of the Raiffeisen type, the wants of the rural districts have been the main object of consideration, particularly those of the small peasant proprietors and the small tradesmen of the villages.' (Page 11.)

And further on he states that the most essential point is the 'limitation to one vote; and that under these circumstances it would be impossible for the wealthy to gain control of a society in which the shares are placed low enough and made payable in small enough instalments to put them within the reach of the more numerous class for whose wants the credit unions are adapted. The adaptation of these institutions to the wants of the comparatively poor, coupled with (or rather including) the principle of one vote and no more to each member, sufficiently accounts for the fact that the German people's banks have not been captured by the rich.' (Page 26.)

Elsewhere (page 88) Mr. Peters adds that in Italy 'there is the same legal restriction to one vote, which is really the essential thing,' and the Indian Committee strongly hold the same view as evidenced by the following paragraph of their report (Page 6):

'We hold it to be absolutely necessary to preclude the possibility of such societies as might be founded falling under the control of speculators. We have, therefore, decided that the number of shares or votes held by any individual member must be strictly limited, and that stringent conditions must be imposed on the transfer of shares.'

The Paris Congress of 1900 affirmed the same principle by passing a resolution in which the following lines are to be found:—

'To consider the association as a society composed of persons rather than of capital interests, imparts, especially, a personal character to the shares and to the conditions on which they are transmissible, the limitation of the share of each associate, the unification of the votes at the meetings'....

The adoption of the one vote principle should remove all fears of speculators, the control being thereby kept forever in the hands of the interested parties, who would have always the power to protect themselves against any attempt of such a nature coming from whatever quarter it may.

CAPITAL—SHARES.

The question of capital is one of very great importance, and anything connected with it must be carefully considered before a conclusion is reached. It involves four distinct main points, namely, (1) where is the capital to come from; (2) should there be shares and how shall they be paid in; (3) shall they be withdrawable or not, and lastly, (4) should a maximum amount be fixed by law for an individual member.

As to the first point, it should be clearly stated that the capital is to come from the members only. That is the view of the Indian Committee as shown by the following extract from their report:—

'As regards the source from which the working capital is to be obtained, the ideal system would be an association, the members of which would first accumulate capital by saving and then lend among the members the money so accumulated. The fact of being a shareholder gives a member an interest in the working of the association, and is educative in its encouragement of thrift.' (Page 2.)

The Committee calls it an 'ideal system,' and I believe that in Canada the circumstances are such as to justify parliament in adopting at once that 'ideal system' as a basis, for the very good reasons mentioned in the concluding part of this paragraph. Thrift is one of the two main objects of such associations, and anything that could tend to encourage it should be adopted. So, too, everything which can create an interest in the working of the association should be taken advantage of.