

As a result of this law there existed at the end of 1903, 41 district banks to which the State had advanced about \$1,750,000 and the paid-up capital of which was \$615,000.

The local co-operative banks affiliated to them numbered 616, with a paid up capital of about \$300,000. By the beginning of 1905 the advances by the State had advanced to \$3,220,000.

The growth of these banks during the three years will be seen from the following table :—

AFFILIATED Local Banks.

Year.	District Banks.	Number.	Members.	Loans Granted.
				\$
1901.....	21	300	7,998	1,085,000
1902.....	37	456	22,467	2,860,000
1903.....	41	616	28,204	4,500,000

There is considerable variation in the constitution of these local societies, very few restrictions being made by law on the form a local society must take, but the system favoured by the Department of Agriculture is based, not on the Raiffeisen principle of unlimited liability but on co-operation with limited liability, such as is proposed by your Bill, the subscriptions of persons interested, together with the assistance afforded by the State, enabling loans to be made by the district bank either directly out of capital, or by re-discounting bills through the Bank of France. The following is a summary of the scheme recommended by the department.

The members of a local co-operative bank must be drawn from the members of an agricultural association, but the number required for its foundation need not exceed seven. It is not, indeed, desired that these local banks should embrace a large number of members, as it is important that the character and financial condition of the members should be well known. They, therefore, usually confine their operations to one parish, but are affiliated to a district bank which may include the whole of a department. Each of the members must subscribe for one share varying from \$3 to \$6. The local bank devotes an important part of its resources to taking shares in a district bank; indeed, commonly, the whole amount subscribed by members is used in this way. The capital of a district bank, however, need not be very large; for instance, if it amounted to \$10,000 that sum would enable it to obtain at the commencement an advance from the state of \$20,000, which might afterwards be increased to \$40,000, as the law permits the state to advance four times the paid-up capital.

CO-OPERATION IN THE UNITED KINGDOM.

Mr. Smith is no doubt wondering when I am going to come to England. He is an old co-operator and knows all about the system there. Well, at the end of 1905 there were 2,215,873 registered co-operators in the United Kingdom. If you multiply this figure by three and a half, which is a fair multiplier, as, though all the members are not heads of families the majority are, you get a total number of nearly eight millions, which is more than one-sixth of the population of the United Kingdom.

The present turnover of the co-operative societies of the United Kingdom is over \$500,000,000 a year, on which they realize a ten per cent profit of over \$50,000,000 and of which they devote to education nearly \$500,000 a year. These high figures are steadily increasing year by year. These figures are hardly appreciated by people in