

Moreover, sureties must be found, and upon this important point, Mr. Wolff says in 'Co-operative Credit Banks,' page 29:—

'And our man will not receive his loan unless, over and beyond all this, he finds security sufficient to satisfy the managers of the bank. That security will, in new because the association operates in a locality or a very small area, under the eyes and banks, have to be what it can. As a rule it consists in sureties. There are cases in which a man's own engagement is accepted as sufficient. But in the majority of instances the borrower is asked to find sureties—one, two, or more, according to the circumstances, as many as are deemed sufficient to secure his loan. And should one or the other of these sureties be found to deteriorate in quality while the loan is outstanding, the borrower will be called upon to make good the deficiency by procuring another.'

The character of the borrower stands as part and parcel of the surety looked for and accepted by the association, for no such credit society would, in the first place, elect as member a notoriously bad character and much less should it ever consent to lend money to a doubtful one. In my own personal experience loans have been positively refused on that very account, although the guarantee offered was good from an ordinary money lender point of view. Not only is ability to reimburse being considered, which is insufficient in more than one instance, but also honesty, which is worth much more than one who pretends to know would imagine, arguing upon his own very limited knowledge, without practical experience of any sort, except the theory gathered up within the four corners of an office closed to such dealings. Ability is by no means the only thing to be considered, but most prominent is honesty, and upon this, I will quote M. Wolff, 'Co-operative Credit Banks,' page 20, who writes with his eyes open upon thousands and thousands of facts all over Europe:—

'In a co-operative bank he borrows directly from his own class-mates, from those among whom Providence has cast his lot, those for whom he has a strong fellow-feeling, those who have the making and the marring of his worldly happiness in their hands. The "great effect upon his moral habits" is accordingly pushed forward to a much further point. Our capitalist bankers make a practice now of lending to rich men rather upon "character" than upon security. A poor man's "character," placed before the tribunal of his daily companions, is really within its proper limits, of even more constraining force, since in his own little restricted world his "character," judged by the men among whom he lives, and from whom he can scarcely get away, is his little all-in-all.'

And this very interesting paragraph telling of a fact that has come more than once to my own knowledge:—

'Commendatore Luzzatti has rightly called co-operative credit "the capitalization of honesty." Personal credit makes it its aim to help the borrower without embarrassing him by taking from him something which he may want, or binding him to do what must be very inconvenient, or by spoiling his credit by pillorying him in the register of bills of sale. And it is the most educating, because it teaches people by the strongest argument available, that is, the argument addressed to the pocket, to be honest and punctual, in their own interest. It will be seen that security fully as valuable and constraining as any pledge or bond could provide may be obtained under the system of personal credit.'

And the results in over forty thousand of such co-operative credit associations after years of experience, and millions upon millions of dollars loaned, confirm that contention in every particular.

ADAPTATION TO THE WANTS AND CIRCUMSTANCES OF THE PEOPLE.

One point that is of special importance to insure the success of such associations is to adapt them to the wants, and circumstances, and even wishes of the people. To try by legislation to force the future co-operators to adopt one way in preference to