

most of those who enter such societies, is strengthened by exercise and encouraged by the fact that every sum paid in becomes at once an active capital and begins to earn something for its owner. And if, after the lapse of years, during which this habit of saving has been confirmed, the spirit of association quickened and the principle of co-operation made familiar, the member of a co-operative credit association, or people's bank, finds a favourable opportunity to join in some co-operative enterprise requiring a larger investment, he now has an available capital which by insensible growth has attained a respectable magnitude. Moreover, he has had a preliminary training, one of whose most valuable features is that it is of a kind to familiarize the kind with the application of practical and businesslike principles and methods to co-operative purposes, and is, therefore, calculated to predispose those who have enjoyed its advantages in connection with co-operative banking to the use of similar principles and methods in co-operative production.' (Page 15.)

MAXIMUM OF LOAN.

Another very important feature which can be considered as an effective safeguard against grave abuses, is the fixing of the maximum amount that can be loaned to a member. That a good many financial or loan societies have been ruined by abuses which could have been prevented by a rule prohibiting the loaning of large sums to one individual need not be demonstrated. Unfortunately the fact is well known and nobody can have any doubt upon the danger of allowing a free hand to the officers, however reliable and deserving of confidence they may be, in such an important matter. Abuses are liable to creep in at any moment, and it is far better to put once for all a bar that will prove effective under any circumstances. No wonder that in connection with all the other numerous safeguards, these associations have thought necessary to adopt such a beneficial measure for the better safety of the members' funds.

The general meeting of the society determine the amount that an individual member is allowed to borrow upon securities deemed good by the Credit Board, and not a dollar can be loaned in excess of the maximum so fixed. This maximum can be increased or decreased by the general assembly of the members upon the recommendation of the board of management. This recommendation is necessary in order to prevent any possible surprise or too hasty a change. By this proceeding, the question is well matured, and the members keep full and complete control upon one of the most important subjects in connection with the loan operations.

AGRICULTURAL CREDIT.

In Europe the agricultural credit is a question that has been the subject of a long and warm debate. Without going into such a question, which the eminent economist Léon Say, has already set at rest by proving that there is indeed only one credit, applicable to all human industries, and that there is only one difference arising from the nature of the various industries, that of time to obtain the return expected from the outlay made for labour and raw material. Agriculture requires a longer term because of its special conditions, time being an all-important factor that nothing can replace or shorten. Hence the necessity of granting to farmers a special term that is based on the length of time necessary to raise their crops and to sell them advantageously. In Canada farmers require credit as elsewhere, and as in European countries a large proportion of them can have and do obtain credit from the ordinary joint stock banks. In the west, for instance, the capital necessary for the moving of the crops is readily available either directly or indirectly. There the farmers' operations are carried on a more or less large scale, and the yearly necessity referred to is well provided for to the mutual advantage of the bankers and of the farming community. The same thing occurs in other parts of our country where the conditions are more or less similar. But apart from the moving of the crops requiring a large amount of funds for a very few months, there are others and numerous much similar needs or of a different kind, that are not adequately satisfied, because there does not exist