

And further on:

'All the successful systems have been the work of single philanthropic individuals, who have conceived the ideas and have personally and patiently laboured—it may be without success for even tens of years—until their ideas have become established and successful facts: it is not the State, but the individual, who has originated and developed the ideas of thrift and popular credit in Europe. Nevertheless, had it been possible to foresee the methods and the difficulties of the several institutions, it would have been advisable to assist their development by favourable laws and otherwise, as has been done when their scope and limitations, their defects and their successes, became apparent.' (Page 31.)

Now, what should be the character of such a law? The Indian Committee has expressed an opinion upon this point which can be adopted as a very safe guide in the matter, as it lays down a general principle that should govern everywhere, namely, the necessity of reckoning with the local conditions and circumstances of the various countries:—

'We consider that hard and fast rules for the institution of co-operative credit societies throughout India cannot be laid down, since due regard must be paid to the local conditions and circumstances of the various provinces, which differ widely both among themselves and from the conditions which prevail in Europe. We have not, therefore, found it advisable to attempt to follow too closely the lines of any one of the various systems which have so successfully established themselves in Italy and Germany. Nevertheless, we hold that it is possible to indicate in a general manner certain principles which should govern the organization of all co-operative societies.' (Page 2.)

ONE VOTE PRINCIPLE.

What illustrates more than anything else the essential difference existing between a joint stock company and a co-operative association is the principle of one shareholder one vote. Unlike the society based on capital, whatever may be the number of shares one has, be it large or small, he has only one vote. This system is the direct outcome of the central idea that should always prevail in a co-operative association, that of an aggregation of individuals, not of dollars or capital. No one ought to have the privilege of enjoying a larger influence because he has put in more money than his neighbour. The voting power being the same for every member, no one can exercise an undue pressure on the management of the association, or vote himself into any office where he could control the affairs and manage them according to his own selfish interests. The danger of such societies falling into the hands of speculators is thereby out of question. *removed. The basic*

The importance of this principle has been universally recognized. No co-operative society is truly so, if this principle is not strictly acted upon. *adhered to.*
Mr. Nicholson very properly points out:—

'Aggregation of members not of shares.—The subsequent chapter is one of the most important, as it deals with 'Popular Banks' under their several systems. These are generally co-operative, that is, the whole of the bank operations are conducted by the members and for the members; the society does not consist of a fixed number of transferable shares which may be transferred to and held by any one soever, but of a congeries of men all personally selected for admission to membership; the holding of a share does not make a man a member as in a joint stock society, but membership gives a right to and requires the holding of a share; the society is an aggregation of members not of shares. Moreover, the borrowers are the members and the members only; the interests of the bank are bound up with its members, that is with its borrowers, and the result is not merely safety to the borrower, but great facility and cheapness of loans—since all profits return to members—coupled with a very distinct moral influence by the society over its individual components. These societies are described in some detail as they provide credit even for the smallest folk, but usually