

experience that co-operation must be a growth and if the structure is to have an enduring foundation co-operation must begin with local groups of men, whether the principle is to be applied in distribution, in industrial enterprises, or through co-operative credit societies, and that co-operation can not grow faster than the members, through actual experience, become familiar with the fundamental principle involved and have the true co-operative spirit firmly planted in them until it becomes a part of their make-up. If we grow impatient and feel inclined to want to become co-operators on a large scale, without passing through a normal and natural growth to reach it, we should remember that a thing which attains too rapid a growth is, as a rule, short lived, and in the end disappointing. This is why so many movements which start out with a flourish of trumpets and extravagant claims generally fail. The Farmers' Union, like its predecessors, has made some abortive attempts to start a growth of co-operation from the top and a great deal of our co-operative propaganda has been a blind striving in the dark after ideals which the masses see but dimly, if at all. I am fully aware that in suggesting a rather difficult course to pursue I may lay myself open for criticism for a lack of zeal, but I prefer to say what I am saying than to pick up a bunch of co-operative bouquets and pin them to a movement which has reached, in some respects, its crucial period and whose policies and plans at this meeting need earnest, practical and critical thought. I believe we have reached that stage of development in the Farmers' Union in this State when we can afford to dispense with temporary experiences and get down to practical co-operative demonstrative work among the rank and file where the foundation must be laid, and especially should this co-operative educational work be prompted among shareholders in joint stock companies already promoted and established by the Farmers' Union, with a view for the adoption, as far as practical, of a uniform system of by-laws, and if necessary amendments to original charters so as to embody the essential co-operative feature of limited hire for capital and dividends upon patronage, better known as the world famous Rochdale feature which has stood the test of experience in different lines of human endeavor for four generations. In another report to this convention I may refer more in detail to this co-operative principle, which I trust this body will discuss fully and freely.

WE MUST BE PRACTICAL.

Let us bear in mind that there is no magic in the word "co-operation" to create values or bring success unless business principles are applied. It is not a visionary scheme to reform the world. Neither is it a new plan of transacting business, but merely a different method dividing the results of business and the fruits of industry—to patronage and labor rather than to capital. It avoids the fallacy of "equal division of unequal earnings," but rewards according to merit. In fact, one of the marked distinctions between the new and the old system is "a new means of commercial mortality, by which honesty is rendered productive." The standard of quality and quantity of co-operative goods are their chief merits.

UNAPPLIED KNOWLEDGE IS WORTHLESS.

It matters not how much we know about the theory of co-operation, it is only that part which we may be able to put into actual practice that can be productive of tangible results. To establish co-operation in localities, as object lessons, it seems to me, should be the first purpose in our propaganda work. One successful enterprise, running upon the true co-operative basis, is worth more than a hundred sermons on the necessity of organization and upon the theory of co-operation. I would especially recommend that the lecture work of the organization be carried into business

sessions of the County Unions and confined to essential details of co-operation rather than public discourses upon general social and economic problems.

I have an abiding faith in the final triumphs of co-operation, because it is an economic and social necessity, and the better social spirit that is aroused by it is one of its most valuable assets, because it leads to greater human happiness and closer comradeship. And it may be further said that it alone is compatible with the ultimate complete triumph of Christianity. Co-operation means brotherhood, a working for and with one another, not against one another.

Rural Credit Systems

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RURAL CREDIT SYSTEM.

Rural Credit Systems is now a very live question in the United States. In this connection, constant reference is made to the German system. It is, therefore, well for us to see what the German system is.

In Germany, these co-operative institutions which supply cheap money to the farmers are variously known as People's Banks and Raffeisen Loan Banks—the last named being the better known. Originally they were not banks in the proper sense of the word at all. It is worth our while to look back at their organization.

Father Raffeisen, as he came to be known, was born in 1818, and his people intended him for a military career. Owing to defective eyesight, he had to abandon that and became burgomaster in small and obscure villages in Western Germany. His district was almost exclusively a farming one, and his people were being eaten up by the usurers. The dreadful years of 1846, 1847 and 1848 put the burgomaster on his metal to see what he could do for his people. He tried a co-operative bakery, and made it work. He tried co-operative cattle buying, and made that work. Both of these in a small way. Then he tackled the usurers. He called his people together and laid his plans before them. One can imagine the people as he talked with them—dictating to Heinrich that he should put in five dollars, and to Johann that he should put in seven dollars, and to Wilhelm that he should put in ten dollars, and their replies that they had no money, and his informing them that they could put it in a little bit at a time, as low as one mark (about twenty cents) per week. Naturally in his crowd there were would-be borrowers. He scraped together fifteen hundred dollars and started his loan company. There were two underlying principles—one was the co-operation of the people, the other was that loans should be made only for productive purposes and for a sufficient length of time to enable the capital loaned, by use, to pay itself back. The people were very poor and naturally the demand for money was greater than the supply. This was met by borrowing. The entire resources of every member of the society being liable for every dollar of the indebtedness. This was co-operation with a vengeance. There was a committee of five appointed as managers, and a committee of six appointed as supervisors, to overlook the managers. Not a nickel was paid to anybody who served except the cashier, and he was not authorized to lend a nickel—all he could do was to carry out the orders of the managers.

We will suppose that Wilhelm wanted to buy a cow, as he had found that he had a little patch of ground which would enable him to keep another cow, and by having that cow he could make enough cheese to pay for the cost of the cow in a certain length of time. He would lay his case before the managers. They would consider it, and if it seemed practical to them, they would loan Wilhelm the money on a sufficiently long time for

the profits of his additional cheese business to pay the loan.

The interest rates were cut to the bone. The purpose of these institutions was not to make money, but to help the people. The little institution was successful in a small way, and five years later a second one was founded, a few years later yet a third, and still a few years later a fourth. It took twenty years for the idea to get solid root, and then it grew like wild fire. Today there are thousands of these institutions in Germany, doing a business of over five hundred millions dollars per year.

Father Raffeisen died at the age of seventy, the most lamented man in Germany. His idea had done its work, and the usurers had been eliminated. Better than that, the German farmers, by the development of their own resources, were able to get all the money they needed for their business at 4 per cent interest.

After they had been running for thirty years or more, the German government decided that they should become stock companies, but during all these earlier years they were nothing more than partnerships. The banks met the demand of the government by the issuing of shares to members of the society in very small denominations—the shares running in value from two to three dollars, and any buyer of a share being allowed to pay for it in very insignificant amounts, just a few cents weekly.

The country system, inaugurated by Raffeisen, was copied in the towns by a man named Schulz-Delitsch, and the town banks, operated for the benefit of the working-men and the middle classes, are known by his name.

The vital principle in the Raffeisen Banks is absolute co-operation, and during the first fifty years of their existence these banks did not lose a single nickel on the loans made. We have not the data as to the later years, but understand that they have been as well managed as they were in the earlier days. In the various communities served, the best men are proud to serve as presidents, committeemen or supervisors, absolutely without any compensation whatever.

If we have that sort of folks, we can work out an equally good system. If we have not that kind of folks, it is hardly worth while for us to waste time on the system.

C. S. BARRETT.

Baker, Ore., December 2, 1912.

To capture the citadel of the child's mind through love and sympathy; to lead pupils towards higher ideals of life and duty; to establish closer relations between home and school and State; to exalt purity of life and conduct; to strengthen the moral tone of the community; to make good men and women; to establish and dignify the profession of teaching; to make education attractive; to magnify the State; to meet the need for educated citizenship; such is the exalted mission of the teacher.—Hon. Charles R. Skinner.

No man thinks his own thought; no man uses his own eyes; no man stands upon his own fact; no man walks alone. We go in flocks; we lean on others; we follow the multitude blindly; we bend our necks to the yoke of public opinion. We have no self-reliance; the only virtue we have is conformity. The demand of the age is for men and women of character who are self-poised, self-reliant, independent and self-assertive. Society follows custom and routine. The redemption of the race is in the originality of individuals.—Jacob G. Schurman.

Preparation for a day's work or a single lesson is never complete till the teacher has answered questions like these satisfactory: Have I put just as much freshness and variety in this work as I can? Have I tried my best to put myself in the place of these children, and to look at things through their eyes? Have I provided for their natural restlessness, by pleasant surprises, and fresh ways of presenting things? Ask yourselves these questions at least once each week.—School Education.