

APPENDIX No. 3

goods? Does that interfere with the security?—A. Not in the slightest degree. I do not see that there can be any danger.

By the Chairman:

You do sell to your members at certain prices. There is a certain benefit accruing out of those prices and if you can make some profit out of the public legitimately I do not see any objection?—A. I do not see any objection myself. Still I would have no objection either to sell or not to sell to the public. If the committee will allow me I will complete, in a very few words, the statistics I gave at the last meeting about the municipal and school organizations in the province of Quebec. I quoted those two organizations as affording material for the future administrative personnel of those small associations, even banking associations.

By the Chairman:

Q. That applies to all the provinces?—A. Of course, the same argument will apply elsewhere as well. For instance, in the province of Quebec we have our small local municipal and school organizations and they have managed in the year 1904, \$2,199,371 and I do not think we have heard much of misappropriation.

Mr. MONK.—Not a cent lost.

By Mr. Bourassa:

Q. That is outside of the cities and towns?—A. Yes, of course. The receipts of rural municipalities in 1904, were \$1,359,571, and receipts for education in 1905, \$2,199,371, disbursements \$1,159,607, thus making a grand total for municipalities of \$2,519,179 or a grand total for both of \$4,718,550. Well, if our secretary-treasurers of schools and municipal organizations, and our councillors and school—

Mr. BOURASSA—School trustees.

A. School trustees could have managed almost \$5,000,000 in one year—

The CHAIRMAN.—And in one province?

A. And in one province without having produced any scandal, so far as those funds are concerned, I think it is a pretty good guarantee that we can rely upon the material that its personnel will offer for these future organizations. One of the objections raised is where are we to find the necessary officers to manage the affairs of such societies. I was told by the Finance Minister myself, 'Where will you find the people who will be able to manage these associations?' Of course I had to say that we were not at all face to face with anything like a bank, in the ordinary sense of the word. 'Yes,' he said, 'this is not of course a bank, it is a loan association, but where will you find the people to control and administer technically the funds of your institutions, however small they may be?' 'Well,' I said, 'I think we have the personnel already organized to a pretty good extent in our province, and I suppose that municipal organizations elsewhere, more or less, will offer in a like proportion the same material. Of course, for the rest it will be a question of education, and as in other countries no better off in this respect than us, that personnel was formed in due course. Even in India that objection did not seem to have created the least hesitation,' as shown by the following quotation taken from Mr. Nicholson's able report, where he says in a very affirmative way:—

'There are in every considerable village men fully equal in intelligence and status, of the men who in Europe locally administer the movement and direct the institutions.'

By the Chairman:

Q. That is to say that every bank, or insurance company, or loan company, where they receive the monies of the public, those funds are managed and manipulated by a few individuals who draw salaries?—A. Big salaries.

Q. Or by a board of directors whom the public hardly meets or sees, whilst in this case you compare it with a municipal organization where thousands and even