

7 EDWARD VII., A. 1907

'Article 32.—A member may be expelled from the association for the following reasons:

'1. Because he is bankrupt or insolvent or because his property is liquidated judicially.

'2. Because he has undergone imprisonment for some offence or crime; or has been sentenced to the same.

'3. Because he has allowed himself to be sued for debt or because he neglects or refuses to pay what he owes to the association.

'4. Because he has endeavoured to injuriously affect the working of the association.

'5. Because he does not punctually fulfil the statutory obligations he has undertaken towards the association.

'6. Because he has disturbed or endeavoured to disturb the general meetings or those of the various committees or of the council of administration.

'7. Because he has endeavoured to have his own or accommodation notes accepted as security for advances or loans.

'8. Because he has deceived or endeavoured to deceive the association with regard to the use of borrowed moneys.'

*By Mr. Smith (Nanaimo):*

Q. These are the regulations?—A. These are the regulations, yes. I am just giving these articles to show the general idea of the organization.

*By Mr. Gervais:*

Q. All kinds of powers and any amount of authorization are left to the board of directors?—A. Not at all, the members can keep the authority they like.

Q. There is no limitation, as a matter of fact, in the Bill, as to the powers of the directors?—A. That seems impossible as far as the by-laws are concerned, unless you congregate a dozen of idiots together, or robbers of the public—stealers—who would form a society under that Bill for the purpose of stealing the funds of the general public, and then, I do not see how they could, because the Bill says they cannot do business outside of their own members.

*By Mr. Smith (Nanaimo):*

Q. There is no public liability, the thing is confined to the members?—A. Yes, confined to the members.

Mr. GERVAIS.—As a matter of fact, during the last twenty years, to my personal knowledge, every one of these co-operative societies in Montreal has gone under.

Mr. MONK.—There has been no co-operative society in Montreal.

The WITNESS.—Were the officers and managers selected by the members only, and were they selling to members only?

Mr. GERVAIS.—No, to the general public.

The WITNESS.—Well, I should say that that looks like a kind of a speculation upon the public.

*By Mr. Gervais:*

Q. Do you mean to say that the business, outside of the banking business, will be confined to the members of the society?—A. Of course, undoubtedly, it could.

Q. Then have you considered the co-operative grocery store?—A. Of course.

Q. The whole business will be confined—A. Of course I would have no objection to let such a disposition be put in the law because it is the strict principle of co-operation to act so, but I must say that in England another rule has prevailed, because there is no harm done after all, neither to the society nor to the purchaser.

*Mr. Smith (Nanaimo):*

Q. Why should we not decide that people can go to your store and buy the