APPENDIX No. 3

In all groups of population three wants exist: the religious one, the material one of the collectivity, and, lastly, the economic need. In our present organization the church looks after the religious interests, the municipality looks after public health and so on, but there exists no organization to satisfy the economic needs. If those other organizations and other enterprising individuals wanted money they would be in a position to have it from the local society, and those who want to be thrifty would have a place where they could go. If the municipality wanted money it could go to the bank within the parish.

Q. The shareholders would know everything with regard to the other organizations in the parish, and be able to say if a loan is properly made to such an association ?

Mr. Smith (Nanaimo):

Q. What is the idea of prescribing that these societies should be connected with the electoral district?—A. We must have some division.

By the Chairman:

Q. An arbitrary line?—A. We have to draw a line somewhere.

Mr. MONK.—In the case of census returns and other returns we generally take the electoral district for the purpose of convenience.

Mr. SMITH.—Yes, but in a case of a co-operative society or bank, boundaries are unnecessary. What would it matter whether a man lived in the country or Toronto. If a poor man in Toronto wants to comply with the conditions of your society, is your credit refused?

Mr. BOURASSA.—The basis of security would disappear, for the whole basis of security is the fact that those people live together and are so closely connected.

Mr. SMITH (Nanaimo).—But we are discussing a different system as dissociated from co-operative stores. If you are selling goods to the community you would not object to a person coming from another town.

Mr. MONK.—This condition in the Act is limited to the system of banking: ' A society carrying on the business of banking shall not operate outside of the electoral dictrict where it has its head office.'

The CHAIRMAN.—There will be as many societies as there are municipalities?

WITNESS.—Yes, there is no monopoly; there can be no monopoly, for there could be more than one society per municipality.

Mr. MONK.—The electoral district is chosen as being an area within which there would always be found to exist that knowledge which Mr. Desjardins has referred to as the basis of credit, namely, having the man to whom they loan under their eye.

Mr. BOURASSA.—We may take that up as we come to the section.

Mr. SMITH (Nanaimo).—You have a distributive society, you are selling goods to your poor people and you have a man in Montreal, say, where there is no co-operative store and he wants to join your society. Would you admit him?

WITNESS.—There would then be no risk as in the banking system.

Mr. SMITH (Nanaimo).—He buys your goods and he deposits his dividend in your co-operative society. By-and-by he has savings as a consequence of buying in your retail society and he says: ' Why cannot I do business with your bank?' That is the difficulty which I am up against.

Mr. MONK.—In that case they are not carrying on business of banking. It is separate.

WITNESS.—The store cannot do banking at the same time. There may be the same members, the same individuals in both.

Mr. BOURASSA.—You can organize a co-operative society for banking and you can organize another co-operative society for distribution.