

By Mr. Monk:

Q. Is it not a fact that there is a great deal more usury than people think, and that one of the effects of these institutions is to stamp it out effectually. Has that not been the result of your observation everywhere?—A. Everywhere. A very typical case was the one quoted in the history of co-operative credit in Alsace Lorraine. After the Franco-Prussian war in 1870, Jews by thousands were following the German armies into French territory and exercising their peculiar industry. After the war was over they settled down into these provinces annexed by Prussia and there began, according to the historian, almost every kind of usury. They might even take mortgages upon farm animals, cows, and so on. They had the whole peasantry in their hands and they exacted a general rate of interest of 100 to 150 per cent. With regard to the second part of your question as to usury, I can say that a gentleman I knew called upon a certain rural usurer and borrowed \$100, I think it was. There was an old caleche in front of the usurer's place, and he told the carter who drove him that he had bought it twenty-five times for \$30 each time, being a condition of each loan. The amount of interest charged by the usurer was the usual rate, 6 per cent, but having to pay for the old caleche that made the rate on the loan something like 125 to 150 per cent.

Mr. Smith (Nanaimo):

Q. If you educate the people to save money by a system of co-operative banking, as you have in Lévis and do not establish a co-operative distributing society, you will be making your bank an agency to enable the distributors to exact high prices from the people?—A. I don't think so.

Q. Should you not commence with the distributive societies and then establish the bank?

Mr. LEMIEUX.—The Bill provides for that.

Mr. SMITH (Nanaimo).—Do you not think that the only way to help the people, is to co-operate first in the sale of the necessities of life?

Mr. MONK.—Do you mean to say that a co-operative system of distribution would be sufficient without the bank?

Mr. SMITH (Nanaimo).—No, but they must go together. If you establish a bank and teach the people to make small savings and do not have a co-operative distributive association and leave the sale of the necessities of life to the competitive plan, the competitive distributors will take advantage of the people having more money. By having the distributive co-operative association in the operation of this business you will have a method of utilizing your profits in the bank. You can build houses, buildings for your business and become producers.

Mr. MONK.—At the same time, don't you think that, as was said in the beginning, if the carpenter required tools or the seamstress a sewing machine, the co-operative bank would be able to make them a loan. Until they can get the money to start with they cannot do their business.

Mr. SMITH (Nanaimo).—You can assist them in selling the machine or the tools at a cheaper rate than they would be sold under the competitive plan, and still clear a profit on the transaction.

By the Chairman:

Q. Well, Mr. Desjardins, you say that these societies should be confined to a small area. Do you limit that area to a town or village or could you extend it as far as the boundaries of a county, for instance?—A. It might be beneficial to take the boundary of the electoral district, except perhaps in the Northwest where the boundaries are very large. But, generally speaking, the idea of these associations is to take the municipal boundaries as the basis, or, if you like it better, the parish. You have there a population gathered together for municipal purposes or for religious purposes, and if you can create an economic organization as well, it will be in the public interest.