

rural part in order to have the experiment among the rural as well as the urban people.

Mr. MONK.—Do you mean you took in the suburbs?—A. The outside parishes formed part years ago of the old parish, but these were exclusively rural, so we had a fair ground for experiment among both kinds of population, urban as well as rural. All the leaders of the movement agree that co-operative banking is the very basis of the whole movement, although I may say in England circumstances were such that it was distributive co-operation that was started first.

The CHAIRMAN.—What is the nature of the population at Levis; is it industrial?—A. Railways form the main industry there, and then we have two or three foundries or machine or other shops, and a large shoe factory. There are many labourers working at the port and elsewhere.

Mr. SINCLAIR.—What is your experience as to the stability of those saving banks? It seems one of the greatest difficulties in my mind to make them safe. I have known a few of them in Nova Scotia, and invariably they have gone to pieces in the course of a few years by bad management. That is small saving banks in little towns that were started under some special local Act, a special Act, by which some few men were permitted to start a small saving bank.

Mr. BOURASSA.—But was it on the co-operative basis that nobody could make any transaction in the matter of credit with the bank unless he was a shareholder of the association?

Mr. SINCLAIR.—No, I do not think so.

Mr. BOURASSA.—You see that is the basic difference, that nobody can transact banking unless he is a member of the association, and then it is limited as to area.

The CHAIRMAN.—And the transaction is always supervised by a committee.

The WITNESS.—We started with about fifty spirited citizens. Of course, we had no law whatever. It was upon the voluntary system. We, of course, adopted by-laws.

The CHAIRMAN.—Would you kindly file them?

(By-laws produced as Exhibit No. 1.)

The CHAIRMAN.—Would you file the English copy as well?

The WITNESS.—Yes. We adopted those by-laws, which were genuine co-operative by-laws, and we began business. We organized on the 6th December, 1900, and we started to collect a few cents. By the 25th January following, our first semi-monthly statement showed an asset of \$242.

By Mr. Smith (Nanaimo):

Q. Have you any of your financial statements?—A. Yes.

By Mr. Monk:

Q. You said you had \$242?—A. On the 21st January last, the total assets were \$48,775.67.

By the Chairman:

Q. After six years of operation?—A. After six years of operation.

By Mr. Smith (Nanaimo):

Q. Was that banking pure and simple?—A. Yes, pure and simple.

By the Chairman:

Q. Explain the system now?—A. We had to create a capital. In doing so we had to conform to the wishes of those who were called upon to furnish the capital, as we addressed ourselves to very poor folks. We had to offer them what I call the variable capital or capital withdrawable at any time. If you go to a poor man and say, 'You