

## APPENDIX No. 3

*By Mr. Smith (Nanaimo):*

Q. There is in Nanaimo a distributive co-operative society.—A. Yes?

*By Mr. Monk:*

Q. What does this gentleman say?—A. He was complaining of the local situation of co-operation in the province of Ontario, and of course, he says it is a great impediment to the development of their society. He was very anxious to have a copy of the Bill now under consideration.

*By Mr. Smith (Nanaimo):*

Q. Read his letter?—A. (Reads) 'I have just received a copy of Mr. Monk's Act, for which I sincerely thank you. We do not see any clause in the Act which limits the voting power of members and limits the number of proxies which a member may hold. Will you be so kind as to point out to me the clause which covers these points, also I do not notice any clause giving the company the power of credits. This, I think, is very important. Our company, when first organized, had a great deal of trouble in getting goods, as the Ontario co-operative law does not allow societies to either take or give credit, and as no person was liable for goods bought, manufacturers did not feel like sending goods to a co-operative society.'

*Mr. Smith (Nanaimo):*

Q. In England the system is to give credit?—A. Yes (reads). 'We pay cash for all our goods, but when we say this, we mean cash in thirty days, being the usual time allowed by manufacturers and wholesalers for cash payments, four months being the usual time for credits. Now, were we not permitted to take credit in this way, we simply could not do business. It would be impossible for us to pay the cash before the goods were received in the warehouse and properly checked. Will you kindly enlighten me regarding these points? I am sorry to trouble you so frequently, but it means a great deal to us. We feel that our charter is at present faulty and feel very anxious to get a new charter, if we can get a truly co-operative one, which will at the same time permit us to do business.'

Q. At the time the Ontario Act was passed, I studied the process of their legislation, and that clause preventing co-operative societies from purchasing on credit, on the same principle that ordinary business is carried on in this country, was put there owing to the agitation of the retail dealers of Ontario. They actually proposed to exclude the co-operative movement from the privilege of which they avail themselves every day. I remember at the time the legislation was passed thinking it was most unreasonable?—A. In practice it was killing the system. Of course, as I stated a moment ago, I have had no practical experience of distributive societies, having established none and having seen none in practice, but by what I have read and studied I do not see why we could not succeed in this country in other forms of co-operation. I took the worst, or most difficult form of it, the banking or loaning form, to make an experiment in order to see whether we could succeed with that particular form of co-operation which is admittedly the most difficult to make the people acquainted with, and I think the result is commendable.

*By the Chairman:*

Q. It is most useful because if you encourage thrift and economy, you have accomplished a great deal?—A. A great deal, indeed, and then you kill usury.

Q. Of course?—A. And you help a great many people who perhaps would never have been able to borrow without these small associations. Now, if I may be allowed—

Q. Did you say, Mr. Desjardins, at the last meeting, that although there was nothing in the law to prevent it, yet the banks as a general rule do not care to, and in fact do not, make small loans?—A. No, as a general rule they do not, you must have an en-