

APPENDIX No. 3

These country co-operative banks are, in fact, of that Raiffeisen type which has already conferred such inestimable benefits on so many countries abroad, and their adaptability to the requirements of the small cultivator, the village tradesman, and the labourer in the rural districts of England has been abundantly proved by the eleven village banks which have already been established, four of them being in Leicestershire, two in Worcestershire, two in Norfolk, and one each in Hampshire, Nottinghamshire and Leicestershire. Where these banks exist there is no need for individuals of the classes mentioned to resort to the professional money-lender, and loans of from £2 to £10 or £20 can be readily obtained by honest and deserving toilers for the purchase of live stock, fertilizers or implements, the repairing of glass houses and other purposes.'

In view of the opinion expressed there by Mr. Pratt, would it not, in your opinion, Professor, be useful that the Bill should authorize the establishment of these small loan associations in case the want of them should be felt in certain parts of Canada?—A. No doubt, provided adequate safe-guards were introduced adapted to the conditions of Canada.

Q. Further on at page 375 Mr. Pratt says:—

'But experience has already shown that no really effective scheme of agricultural organization on a wide-spread basis can be carried out even in Great Britain, unless supplemented by some practical system of co-operative agricultural credit banks, arranged on so comprehensive a scale as to meet the varying wants of all our agricultural classes. There may not be in England, Wales and Scotland so large a proportion as in Ireland and in various Continental countries of those very small cultivators to whom the loan of £5 or £6 from a co-operative village bank would be a great personal convenience. A certain demand for such facilities there undoubtedly is on the part of labourers and very small producers, and such demand the Co-operative Banks Association should, with adequate support, be well able to meet. But a wider basis of operations than this is required to answer the requirements of farmers who would want to borrow more substantial sums, and might find it an inestimable benefit if they could obtain them from a co-operative credit bank.'

Now, given that these small loan and credit societies only lend to members of the association themselves, that they do not issue any paper money as our regular large banks do, and that their operations, as contemplated by the Bill, are confined strictly to a very limited area, would you not think such institutions, being carefully supervised by the government, might meet a pressing want, and might have considerable educational value as an agent to teach thrift to our people?—A. In certain localities and under special conditions, yes. But it would depend on the details and the organization, bearing in mind, as I said at the last meeting, that conditions in Canada differ very greatly from those in Britain.

Mr. MONK.—Yes, I wish to come to that point. Conditions, as you say, are somewhat different.

By Mr. Sinclair:

Q. In what respect do they differ?—A. In Canada?

Q. Yes?—A. Well, in the first place the system of small cultivation of the land, of the relation of the land to the cultivator, of the economic and social structure, the fluidity of conditions—economic and social—all very greatly differ in Canada from Britain, and as I said, differ greatly in different districts of Canada.

Q. We all understand that, but how do they differ in regard to savings institutions?—A. Well, in the experience and knowledge they have of each other's conditions, of the methods by which they do their business, of the degree to which existing institutions serve these purposes in these two different countries, and so on.

Q. Do you mean that in Canada we understand the credit of each other better than they do in England?—A. No, the reverse. We understand it less, except in certain districts of the country, all depending upon the stability of the system, the fixity of social relations, and so on. I should say, for instance, that you might find two