

objects?—A. Having regard to the freedom which they have enjoyed over a long period up to date, yes, I feel that this bill goes as far as it is practical to go consistent with the powers which they now enjoy and the functions they desire to perform.

*By Mr. Macdonnell:*

Q. Do you think it would be possible, feasible, or wise to consult with the provincial authorities, or with your opposite numbers in the provinces in order to make sure whether there is an entire meeting of the mind on this question, because they are the only people who will really come into contact with the bulk of the work as it stands now. You will be having increasing contact with the work, but at the moment you do not.—A. I have no doubt that in practice we shall consult with the provincial authorities from time to time.

Q. I mean more than that. I mean whether—I think Mr. Staples said this morning that he was anxious to have the province of Ontario—if I understood him correctly—would that be true in the case of the other provinces. Would it be possible to have a sort of common approach to them on the part of everyone who is concerned, because it seems to me to be of very great importance.—A. I think it remains to be seen to what extent supervision may be carried out jointly, so to speak, by the Dominion and the provincial authorities. But so far as the powers are concerned that the provincial centrals now enjoy, they are very much wider, on the whole, than in this bill.

Q. Could you give us an example?—A. The Saskatchewan central is one, and the Ontario central is another. I think the Ontario central has the same investment powers as any ordinary corporation under the Companies Act; and so far as the local credit unions in Ontario are concerned, they may invest without limitation in any securities that an insurance company may invest in, and they may invest up to 25 per cent unrestricted as compared with 10 per cent here.

*By Mr. Gibson:*

Q. Do you feel that we perhaps learned anything from the difficulty or the embarrassment that the Civil Service Credit Union got into temporarily? Do you think that we learned anything from that as to what we might have done with this legislation? That was a first tier one again, while this is a third tier one that we are working on.—A. Frankly, I have not seen the report that is being prepared, or that has been made concerning the difficulties of the local cooperative credit society. But one thing we have endeavoured to do in this bill is to ensure proper auditing. It is not left merely to the credit union to appoint its own supervisory committee or anything of that kind. We have followed the procedure of the Bank Act which requires the auditors for the provincial centrals, or for the Dominion central to be chosen from the panel compiled and filed with the Minister under the provisions of the Bank Act. The same provisions are being made use of here. That, I would say, is one measure that we have taken in the light, partly, of what seems to have happened right here in Ottawa; these provincial centrals and the Dominion central will have proper auditing at all times.

Mr. QUELCH: What about the auditing of local unions?

The WITNESS: This bill has no application to them at all.

Mr. LOW: They are governed entirely by provincial legislation.

The WITNESS: Yes, that is right. This will have no effect on them at all.

*By Mr. Macdonnell:*

Q. I think you are right when you say that there is some security. It is the judgment of the people who are loaning money. It boils down to this in