

the great advantages of economy, thrift, saving, and above all, it has taught them the value of the cents, the small savings. If you ask the poor man to save money, he will tell you: 'Well, my friend, I would but I have no money.' When you go further and you ask him, 'Have you not cents sometimes in your pockets,' he will reply 'of course, but that is not money,' and, therefore, having but cents in his pockets he never thinks of saving, because it is not worth while. On the other hand, if you teach him that saving can be exercised with great advantage upon those few cents, you will create in a very short time a very large capital, because it is not units that count here but the quantity of units.

*By Mr. Bourassa :*

Q. And if they find a use for the cents it will induce them to put more aside?—  
A. Exactly. The first move is the most difficult one to secure. The moment you have succeeded in convincing a man that he must put something aside he says, 'that is a dollar, I never thought I could save that much'; then two dollars and then five dollars, and so on.

*By the Chairman :*

Q. You spoke of saving. What is the difference between penny banks and bank under your system?—A. Well, the penny banks do not go in for the same class of loans. Of course, the penny bank does not usually exist except in some large centre or large town.

Q. Not in rural communities?—A. Hardly in rural communities because the penny bank is usually fostered by some philanthropist who is the head of some financial institution and they hope in starting a bank in an urban district to have the advantage of the savings thereby made put in their institution. Or perhaps they prefer the credit or prestige derived from the institution, while in a rural community or small town that is not sufficient to enable them to found a bank on those lines.

*By Mr. Bourassa :*

Q. What is the radical difference between a penny bank and a co-operative bank? Is it that the penny bank simply accepts the people's deposits of their money, while with you they are enabled to make savings of small amounts and acquire shares?—  
A. In the penny bank the administration is carried out by a certain number of gentlemen and the depositors have no control, but in the co-operative bank all have an interest and have the advantage of knowing what is the situation.

*By Mr. Smith (Nanaimo) :*

Q. In the penny bank the depositors have no control?—A. No control in the matter. It may turn out right or wrong, or they may lose their money—

Q. It is the intention in your bill to provide both for a bank and for a co-operative society?—A. Yes.

Q. It is not proposed to have the bank connected with the co-operative society?—  
A. No, I think the best way will be to have distinct societies so far, because you may have three or four co-operative societies, and if the administration is in the hands of a few it may be conducive to bad results. For instance, you may take example in Mentone. I suppose the gentlemen here, if they have not been to the south of France, know something about it. I have not been there, but I have a good friend there who tells me that some people are members of seven different co-operative associations, each having different objects, one banking, one a distributing association, another for wine selling, and another for a restaurant. Instead of joining up these associations into one with one administration, every association has its own officers, and by this means you get a larger number of officers to advise as to the management.

Q. In this way you get a distinct system for distribution. In England it was a condition that the distributive societies should be formed into the wholesale productive societies, and then take hold of the banking system. How are you going to establish the bank unless you first teach the people to save?