

7 EDWARD VII., A. 1907

Mr. BOURASSA.—The depositors are the shareholders. They cannot be depositors unless they are shareholders.

WITNESS.—I understand that. It seemed to me that unless you had a very varied industry you are going virtually to convert his deposits into extra shares at particular times when he could not readily draw it out. However, that depends on particular conditions.

The committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 30,

FRIDAY, March 1, 1907.

The Special Committee to whom was referred Bill No. 2, An Act Respecting Industrial and Co-operative Societies, met at 11 a.m., the Chairman, Hon. Rodolphe Lemieux, presiding.

The examination of Professor Shortt continued.

*By Mr. Monk:*

Q. I have but a few questions more to ask you, and those in respect to the credit and loan, or banking, feature of the Bill. The Bill which is now under the consideration of the Committee has been framed very much upon the model of similar legislation in England, and in that Bill, as well as in ours, provision is made for that form of co-operation which consists in credit and loan associations, and special precautions surround that particular form of co-operative association. Speaking generally, would you not think it would be a pity if no provision at all were made in the Bill for such a form of co-operative association?—A. The agricultural form, do you mean?

Q. The banking, or credit and loan, form. I say that as the Bill provides generally for all forms of co-operative associations, and as the object is to encourage co-operation throughout the country, would you not say it would be a pity if no provision were made for a credit and loan, or banking association, provided those associations were properly cared for by special enactment?—A. Yes, I should probably assent to that.

Q. Now, Professor, I wish to call your attention to one or two authorities in respect to the credit and loan form of co-operation, and I will quote from a recent book by Mr. E. A. Pratt on 'The Organization of Agriculture' which was published in England. At page 310 of this work, Mr. Pratt says:—

'Another factor in the situation is the absolute need that agricultural credit should go hand in hand with agricultural organization. The necessity for this dual arrangement has been proved over and over again on the continent of Europe, and though the financial position of British agriculturists in general may be more favourable than that of the peasantry in various other countries where an easy agricultural credit was established years ago, the extreme desirability of such credit being available in Great Britain, also, is beyond any possible doubt.

'Happily, here again a good commencement has been made by the Co-operative Banks Associations, whose headquarters are at 29 Old Queen street, Westminster, S.W. The purpose of this association is to establish both town and country co-operative banks, the former being registered under the Industrial and Provident Societies Act, and issuing £1 shares, paid for in weekly instalments of 6d.; while the latter are registered under the Friendly Societies Act, and borrow money from the Central Banks Committee on the collective credit of the members (as the town banks do on the credit of their shares), for the purpose of making small advances for productive purposes.