COMMUNITY TRADING

Failure of Many Schemes is Accounted For Largely by Resentment Towards Paternalism

By A. B. Barker

It is reported that the experiment in Community Trading for its employees, inaugurated some years ago by the Interborough Rapid Transit Co., of New York, is about to be abandoned on account of lack of support from those it was intended to benefit. In view of a number of similar plans being put in operation in this country, it would be interesting to know the real reasons for the failure.

The company established a number of grocery stores at convenient points, for the purpose of furnishing its employees and their families with groceries at wholesale prices. Staples only were dealt in. Sales were for cash, and there were no deliveries, but passes were issued to the wives of employees to enable them to visit the shops without expense. The company paid the rent of the stores, clerk hire and other operating expenses, and also supplied the capital. It was estimated that this saved the patrons some 30 per cent. on purchases, and to restrict the privileges of the plan to employees and their families, a system of identification cards was in use. At first the patronage was large, but gradually it fell off, and now the company finds that the percentage of men availing themselves of the privilege does not warrant the plan being continued.

If the stores had been established and carried on for the owner's profit, like the old company stores, where the employees were forced to trade or lose their jobs, the lack of interest would be easily understood, but in this case the only object of the scheme was to benefit the employees.

With the high cost of living, one would have thought that the saving under the system would ensure support, and the failure may have been due not to any flaw in the conception of the plan, but to faults developed in putting it into actual practice. Unconsciously, the company may have run counter to some factors in human nature, possibly insignificant in themselves but which nevertheless were powerful enough to nullify a well-meant effort.

Men naturally resent any paternalism, no matter what material benefits are promised, and the suspicion of a "my man" attitude is fatal to the success of any scheme calling for co-operation.

In the mining sections of the west up to a few years ago the company store and the company boarding house were features of the working conditions, until compulsory trading with either was abolished by law. Many mines, however, after the passing of these laws, maintained boarding houses on their properties for such men as cared to use them, but they were as a rule found to be unsatisfactory for everybody, in spite of the fact that the service and food were usually better than in the independent boarding houses. Constant association above and below ground intensified any disputes and quarrels between the men and sapped discipline, and the presence of foremen and shiftbosses at all times was a source of irritation. On the other hand it was found that living away from the mine and its influence and mixing with the men from other properties, helped to create a certain clannishness among the men of any one mine. They might "grouse" among themselves, but, to an outsider their organization was the best, just because they belonged to it, and they were perfectly willing to back their opinions in any manner necessary.

It was simply one phase of that attitude of mind, known to military men as the regimental spirit, without which a battalion is merely a number of men dressed alike and nothing more.

Anyone experienced in handling men knows what it is, though it may not be explainable on logical grounds. It is, however, an element in human nature which can be relied on to show itself under certain conditions, and any scheme which involves dealing with men in a body, whether the object is welfare or exploitation, must adapt itself to it, in order to have any chance of success.

LIFE INSURANCE AGENTS OF QUEBEC

At the annual meeting of the Life Insurance Agents of Quebec, held on September 24th, the following officers were elected for the ensuing year:—President, Victor Lemieux; 1st vice-president, H. Morin; 2nd vice-president, E. Roy, Levis; secretary, P. H. Dubar; assistant secretary, L. H. Thibault; treasurer, L. Miville; executive committee, V. R. Lemieux, H. Morin, E. Roy, P. H. Dubar, L. Thibault, L. Miville, M. Monaghan, A. Lesage, P. H. Montreuil, D. Hurteau, W. Delaney.

A EULOGY OF CREDIT

"Some one has said 'credit is to business what mortar is to a wall; it is the adhesive material with which commerce is cemented,'" says the September "Teller," issued by the Sterling Bank of Canada. "The humblest citizen, as well as greatest manufacturer, feels the power and recognizes the influence of credit. It enters into the life of every business man in this country.

"Credit is indispensable; and whether it be given in the way of money or merchandise, it augments the public wealth, advances the prosperity of the country and insures progress so long as it is given judiciously and wisely. On the other hand if it be extended to persons who are unworthy or who become embarrassed because of their lack of character, ability, honesty or capital, the result is extremely detrimental.

"To extend credit properly and safely requires the highest exercise of mental powers, for many complex questions are to be solved and oftentimes the credit-man is called upon to make investigations which are both delicate and intricate in their nature. In considering the responsibility of a borrower, it would seem that his total net worth should be ascertained. If the amount of money which he has invested in the business is small and he is likely to be a large borrower, his credit should be based proportionately.

"We should also consider his record and standing in the community as a merchant. Has he ever failed? If so, what were the circumstances? What are his habits in private life? What settlement did he make with his creditors? Is he extravagant—does he live beyond his means? Is he a gambler or speculator, or is there anything that would lead him to spend more money than he can safely take from his business. Look into his business record also. Does he pay his bills promptly, and how does he stand in the trade which he represents? These points, we believe, should define the line of credit to be granted.

"We should also consider his claims for credit. What are the characteristics of the borrower? Has he ability? Has he a reputation for honesty? Does he show that his business is prosperous? Is he up and abreast with the modern methods of doing his business, or is his business on the down grade? And, finally, what is his present financial condition? This should be gathered in a statement over his signature giving in detail his assets and liabilities.

"The credit-man's duties are arduous and exacting. He is not only called upon to perform considerable detail work, but his mind must be ever active and alert, in order not only to keep his files closely up to date, but also to be continually posted as to the present situation of his debtors. A credit-man should be of an investigating turn of mind, and should have an agreeable yet indomitable obstinacy; and when he has determined not to trust a man, he should strictly adhere to his conclusions. A credit-man should always endeavour to get the unfavorable information regarding his customer, as facts of favorable nature take care of themselves."

On October 2nd the North Dakota Banking Board ordered that the Scandinavian American Bank of Fargo, N.D., should be closed. Among its assets are items totalling $432,956, due from organizations connected with the Non-Partisan League.