

Co-operative or People's Banks.

A Paper Read Before the Twentieth Century Club of Boston, by M. Alphonse Desjardins, President and Manager of the Levis People's Bank, Canada.

Mr. Chairman and Gentlemen,—

A co-operative or people's savings and credit bank is an association of individuals established on a somewhat new principle, that of a variable capital and membership. It is not, therefore, a mere aggregation of funds. The persons feeling the same wants unite together to help themselves upon an accepted and comprehensive basis, well understood and rigidly adhered to. For, without these primary conditions, success could not be achieved nor even expected. Capital here is only a mere tool, the stock in trade, almost a slave; it is not the dominating power, as in ordinary financial combinations which have one object in view, that of enhancing their productive value at the expense of non-organized economic forces. As this union of capital must have rules to make it reach its aim, so with the association of individuals. The first one, the most necessary of all, is the selection of those who may be allowed to join the society. And this selection is made upon a basis that can be achieved by any one, since it is character, honesty, industry and thriftiness that are the essential qualities required. This shows that here lies a principle which will commend itself strongly to an audience like this recruited among a people that have given to the world such examples of the grand possibilities of such a principle.

The two main objects of such an association are the encouragement

and development of the true spirit of thrift on the one hand, and the granting of credit on the other to the very humblest classes of the community, based upon universal suffrage.

In order to insure the best possible selection of members, the field of activity of the society must be closely restricted, either in territory or within the radius of a local trade. In a limited field, the individuals can be better known and their qualities better appraised.

As it is an association of persons, not of capital, there is only one vote for each person. Instead of having the principle of the voting power based on the number of shares, it rests exclusively upon the principle of one man, one vote, just as in a political democracy. Moreover, as the members are recruited within a small area, access being therefore easy to the place where the general meetings are held, voting by proxy is rigidly excluded, on account of the numberless inconveniences and abuses to which it so often leads.

One individual must not by any means or device contrary to the spirit of the organization, be in a position to exercise a damaging influence, and in order to safeguard it from such a personal power, none can hold in shares or in deposits an amount greater than the one determined upon by the general meeting. It has been thought, and experience has proved it to be correct, that a member, if allowed to hold any number of shares,