

Co-operation in Quebec

The Farmers of French Canada first adopted the Co-operative Idea in Banking---By C. B. Sissons

TO the great majority of Canadians Quebec is a sealed book. Or worse even than that, it is known only in caricature. News items secured by enterprising correspondents naturally feature the abnormal, the spectacular. The public has not time over its coffee to be instructed. It must be interested, amused and surprised. And in the case of Quebec, to say nothing of prejudice, language barriers have served further to retard the spread of accurate information among the other provinces. In Quebec they know something of English, but French with most of us in Ontario and the West is a foreign language, consequently, it will not be surprising if a large number of the readers of *The Grain Growers' Guide* are unfamiliar with the remarkable progress which co-operation has made in rural Quebec.

In one respect the history of co-operation in rural Quebec is unique. The co-operative principle first showed itself not in selling and buying, but in banking. As much as ten years before the founding of the great co-operative company through which the farmers buy supplies, a successful experiment had been made in co-operative banking. At various points in the province, People's Banks (*Les Caisses Populaires*) had been established, through which the farmers were shown the benefit of co-operation as distinct from competition in business. The familiarity with the principle of co-operation thus secured by the farmers, and the self-reliance produced by their success in managing their own banks, contributed not a little to the immediate and uninterrupted success of the trading companies later established.

A Wise Civil Servant

For the organization of the People's Banks, Alphonse Desjardins was responsible. Being a civil servant at Ottawa, engaged on Hansard, he naturally had time at his disposal. He was wiser than many civil servants, however, and took steps to avoid rust. He devoted his leisure time to the study of co-operative banking in Italy and Belgium and elsewhere. Being convinced that he had found a system which could be applied successfully in Quebec, he called together a few of his friends to a meeting in his home at Levis one December evening in the year 1900. As a result of this meeting, on January 21 following, the first *Caisse Populaire* was opened at Levis. Mr. Desjardins managed the bank himself and his good wife kept the books. The profits of the first year amounted to \$96.85 and were distributed among the handful of shareholders. Fifteen years later, 1,258 shareholders of the parent bank divided profits of \$25,500. The movement thus

begun in Levis spread steadily throughout the parishes of the province. The uniform success of the experiment, the fact that none of the banks, although separately managed, has ever lost a cent of money for a shareholder or depositor, served to win public confidence without apparently provoking the hostility of the formidable chartered banks. The last year book gives the number of People's Banks as an even hundred in Quebec, while a number of others have been established among the French-speaking population of Ontario and the New England States.

Each bank is administered by three boards—an administrative board of from five to nine members, which appoints the manager; a credit board of three or four members, which decides on all loans; and a supervising board of three members which audits the books. None of the members of these committees may receive a salary. They must all be residents of the parish and men of approved integrity. The same thing is true of the shareholders. It is also stipulated that the manager shall be a resident of the parish. The shares are of \$5.00 only, and loans are made only to shareholders. One man may hold more than one share, but no man may have more than one vote. The insistence on the principle of residence and approved character in all who have to do with these banks without doubt has been responsible for the remarkable success of the People's Bank. Mr. Desjardins, whose vision shaped the simple system, has not been without honor in Europe and the United States. I am not sure that he is known in Toronto and Winnipeg. At any rate he has not yet received a title.

Organized in 1910

It was only in 1910, that co-operative trading was organized among the farmers of Quebec. In Ontario, already the Grange and the Patrons of Industry have had their day and ceased to be. In the West, the Grain Growers had already won a preliminary skirmish with the elevator combine and were developing strength for greater things in the future. With the example of Ontario as a warning and that of their own banks and the West to encourage them, the pioneers of co-operative trading in Quebec were able to establish business along such safe lines that there has been no need to retreat at any point.

Quebec, like eastern Ontario, emphasizes dairying, and the leading company is known as the Agricultural Co-operative Society of the Cheese-makers of Quebec (*la Societe Co-operative des Fromagers de Quebec*). Its founder, Auguste Trudel, is still its manager. In eight years he

has seen the company's business increase steadily. From modest beginnings it has grown till in 1917 products were sold to the value of \$4,584,024.24. All this on a paid-up capital of \$17,221 (\$43,959 being subscribed).

The motive of organization was the fact that Quebec cheese regularly sold for export at less than Ontario cheese. However excellent the quality of the output of certain factories, the owners failed to get the highest price for their cheese. Mr. Trudel had suffered from this discrimination for many years. He was a cheesemaker, the son of a cheesemaker and farmer. Leaving home at the age of 19 he entered a cheese factory near Ottawa. Finding himself handicapped without a knowledge of English, he spent a winter in an Ontario community at Lansdowne, near Kingston. He so far improved his time there and increased his knowledge in later years that his command of English is ready and exact. In 1910, he succeeded in getting 39 factories, in several of which he had an interest, to form the company above mentioned. One of the first acts was to secure from the government the appointment of a grader. A strange thing happened when the first lot of cheese was sold by auction as usual at the Board of Trade. What 25 years of individual effort had failed to secure was accomplished by a single week of co-operation. Grade number one brought exactly the same price as the best Ontario cheese. "A very happy moment in my life," Mr. Trudel told me with his quiet smile.

Making Haste Slowly

In Quebec they believe in making haste slowly. Only when success has been assured in the selling of cheese and butter was attention turned to other products of the farm. Eggs, chickens, maple syrup and sugar, honey, beans, potatoes, peas and wool were added in time to the list of products handled. Then in 1916 two abattoirs were taken over, and at present the company is handling a very successful dressed meat business.

A commodious cold storage warehouse has been secured in Montreal, where at any hour of the day the visitor may see a large staff busily engaged. While the company does not undertake to do a retail business it keeps open house. Anybody who wishes to purchase a cheese or a few dozen eggs may do so, provided he pays a little more to cover the additional expense of handling in small quantities, and provided he is prepared to pay cash for his purchases and carry them away with him. Honest grading, cash payment and self-delivery are three definite working principles of the company.

One other activity of the Cheese-makers' Co-operative Company must be overlooked. Every week from the office of the Company, 63 William Street, Montreal, a little paper known as *La Bulletin des Agriculteurs* is issued to all members of the company, who are prepared to pay 50 cents a year, and to any others who are prepared to pay \$1.50. In addition to the inevitable advertisements the paper contains a full page editorial, regularly signed, according to a custom occasionally followed in Quebec newspapers, a number of non-political articles on agricultural subjects and also the market reports of the week.

A Buying Company

There still remains to be mentioned the youngest of the three co-operative societies which intimately touch the life of the farmers of Quebec. Its home, consisting of an office and warehouse, is situated not far from that of its sister company close to the great wharves of Montreal. It is known as the Co-operative House of Montreal (*Le Comptoir Co-operatif de Montreal*). Its founder and manager, Mr. Horace D. Desloges, had profited by a thorough training in business and had made himself familiar with the literature of the co-operative movement before the organization of the Company in 1913. For a year and a half without any remuneration he devoted much of his time to the work of the company while continuing in his occupation as accountant. After that time the company was on its feet. For the last two years it has paid dividends of six per cent. In 1917 the number of shareholders increased from 790 to 1,600.

The Co-operative House is really the complement of the Cheese-makers' Society. It sells commodities to the farmers: the sister company buys the products of the farm. Neither invades the field of the other, but they work in entire harmony for the benefit of their patrons who are also their shareholders. Neither company has any desire to strike at the retail dealers. They desire simply to eliminate wasteful competition and the middleman who is a parasite. For example, when the Co-operative House started business in 1913, basic slag retailed at anywhere from \$24 to \$28, the wholesale price being \$13. The company, however, was able to sell it directly to the farmers at from \$15 to \$15.50 with a sufficient margin to ensure a dividend. The sale of artificial fertilizers so necessary in older soils, has been greatly stimulated throughout the Province by this lowering of prices. A rapidly increasing business is also being carried on in the sale of seed grain. New lines are taken up, as they appear to offer sure returns. No attempt has been made to handle implements. Having followed the history of co-operative business among western farmers, Mr. Desloges was well aware of the losses which might attend the early stages of the implement busi-

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THE Edmonton J. issue, says editor "No person Canada in this does not appreciate the vast change in co has been brought about the organized movement. "It is made clear t the early difficulties originated and carried present standing the described had to e furnished by those wh ing to benefit. The confidence in theme own powers of initiat "It is just 10 years since the farmers of in one organization,

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