

Co-operative People's Banks

By ALPHONSE DESJARDINS

In previous articles Mr. Desjardins has told the readers of The Guide what Co-operative Banks are, and how to start them.

Now Mr. Desjardins relates the history and experience of some of the banks which have been organized in the Eastern provinces. The statistics which are given form a remarkable demonstration of the Success of the System

Continued from Last Week

We now intend to state very briefly what has been accomplished by other people's banks. It would be obviously too long to mention the whole of them. We will only speak of those which form distinct groups having regard to the peculiar character of the locality and the special calling of the majority of the population. There are urban centres with a working-men population; rural centres where the agricultural industry predominates; colonization and mining districts. Let us mention a few examples taken in these various districts, for the co-operative bank has penetrated everywhere with an equal success.

Urban and Laboring Districts

Levis as an urban district has already been quoted. Let us now take Quebec, Montreal and the other towns and cities of the province. St. Sauveur, a suburb of Quebec, has had its co-operative bank since the 1st of January, 1909. On the 30th of November, 1912, the people's bank of St. Sauveur had \$24,802.21 of assets and had a general turnover for less than three years of \$57,334.

The oldest people's bank of Montreal is that of the parish of the Immaculate-Conception. It was established on the 31st of January, 1909. At the end of January, 1913, its assets amounted over \$20,867.45 and its general turnover to \$111,272. The other people's banks of Montreal are of quite a recent date, having been established only since the month of April last. However, their success is already certain, thanks to the valuable and powerful participation of the leading religious and social authorities of the parishes in which they are working.

Three-Rivers is a small manufacturing city of about 18,000. It has had its co-operative bank since the 17th of October, 1909, and on the 31st of January, 1913, its assets amounted to over \$43,280; its general turnover to \$104,959.70; its loans to \$49,794; deposits received \$64,266.34; deposits withdrawn \$43,101.68. It has paid in interest on deposits \$306.69; in dividends on shares \$615.86; for all expenses only \$135.81. That last item is indeed very small compared with the general business done of \$104,959.70. Its guarantee fund is already close on \$600.

There are also other localities outside of the large cities or towns where the working men are the majority. Such localities are to be found even in the rural districts where a considerable number of families are living out of the labor in the woods, for example, or of some other small local industries. These small centres present a variety by themselves and have to a certain extent the character of an urban district. In such localities these people's banks are prosperous and render great services to the laboring men.

Matane, in the county of Rimouski, has had a people's bank since the 20th of August, 1911, and in 18 months the total turnover reached \$11,302.80. The assets on the 28th of February, 1913, were \$4,760.26.

The Montmagny People's Bank, organized on the 10th of July, 1910, had on the 31st of May, 1912, \$2,287 of assets, and has already done business amounting to \$5,734 and \$2,747 in small loans.

During eight months the Windsor Mills People's Bank, from the 1st of October, 1911, to the 31st of May, 1912, had done business amounting to \$2,340, of which \$1,457 was for small loans.

The Sayabec People's Bank, in the county of Rimouski, in three years has accumulated over \$9,000 of assets, and has had a general turnover of \$57,000.

The Kinsey People's Bank in about 15 months has had a general turnover of \$23,718.17, and it must be observed that the population is about 1,200.

Outside of the province of Quebec there are several co-operative banks flourishing in another Canadian province, Ontario, where they have to operate under the voluntary system.

The People's Bank of St. Ame, in the city of Ottawa, was organized on the 1st of April, 1912, and on the 1st of January, 1913, the assets were \$5,415.51, and the general turnover of those nine months had reached \$10,355.97.

That of another parish of the same city of Ottawa, St. Francois d'Assise, in two years had assets amounting to over \$7,800, and a general turnover of \$34,045.87, and loans for \$11,670.

The parish of St. Tamille has a people's bank; its assets in January, 1913, were \$2,176; its total business \$14,362, and it has loaned to its members over \$5,133.

In all these parishes of Ottawa the great majority of the population are laboring men, and are almost exclusively the borrowers and clients of these banks.

Among Factory Workers

Let us see now how such a bank works among a population almost entirely composed of working men, employed in a great cotton mill, the "Montmorency Falls Cotton Mill." The parishes of St.

saving deposits \$3,322.51, withdrawals \$975.99. The results prove that we had reason to boldly assert that such a co-operative bank could succeed anywhere, so long as the people would understand how beneficial it is.

Mining Centres

Let us now see how that institution prospered in such localities as mining centres. It is perhaps the worst ground to be chosen on account of the special shifting characters of the population. In spite of these great difficulties, this type of bank has succeeded more than one could expect.

Thethford mines is known all over Canada as the greatest asbestos mining centre there is on the continent. The population is about 7,000, all working in the mines. The people's bank was organized about three years ago and its assets are over \$30,000, and its general turnover over \$100,000.

Black Lake is another small mining town, situated three miles from Thethford

of the parish priest of St. Damase of Matane, to visit that locality mainly inhabited by very poor but courageous settlers. The population was then about 700 souls. Like everywhere else, the settlers of St. Damase are industrious, honest and full of that energy which stimulates the hard labor necessary for the settlement of the province of Quebec, but very poor.

The organization was a grand success, and on the 31st of January, 1913, 26 months later, that bank had assets of \$6,900 in round figures and showed a total business amounting to \$25,356.78. True the guarantee fund laid aside was very small, but its very existence proved that the members were hopeful and had faith in the future. The loans granted amounted to \$14,140.18; the sum of \$4,825.75 had been paid in shares and \$11,021.81 in savings deposits.

St. Martin, in the county of Beauce, is another instance of the same character and the results were as good as those already mentioned. The bank there was organized on the 25th of July, 1910, and on the 31st of August, 1912, it had assets of \$8,864, had done a total business amounting to \$92,417, and the loans had reached a total of \$43,092.

Paquetteville, in the county of Compton, on the United States border, near Vermont, is a small parish of about three or four hundred souls, all farmers. The territory is very hilly and generally the soil is rather poor. To supplement the revenue of their farms the people have to work in the shanties of the lumbermen, not far distant. A co-operative bank was organized on the 6th of October, 1907, and on the 31st of January, 1913, its assets were \$2,874.42, and it had done a total business amounting to \$17,828.63, of which \$15,420.34 was for loans. It had paid \$95.23 for interest on its deposits; \$246.96 for dividends on its shares and had a guarantee fund of \$157.65, all expenses having been duly paid.

Although very small, these figures show what good can be accomplished by such an organization even in so narrow a field of activity. From dozens of other poor and newly settled districts the same story might be told.

Dividends

Now, let us come to the pecuniary results that the members of a co-operative bank can expect by way of a return upon their money invested in shares and deposits. In the first place, the yearly dividend on shares has been invariably of at least four per cent. even for the first year of operation. Some banks have paid five per cent., but we cannot approve of such a course. It is extravagant and should not be indulged in in the first year, because it is of paramount importance to considerably increase the guarantee fund before paying much in dividends. If there is one object that should more than any other be always kept well in view and strictly adhered to, it is that the dividends should never be lowered. Therefore wisdom compels one to be very careful about increasing the rate paid on shares. A good system that we recommend very strongly is to increase the dividend, not according to the mere yearly profits, but according to the increase of the guarantee fund. Of course the larger the guarantee fund, the larger also would be the yearly profits, for that fund is not supposed to be idle; on the contrary, it earns something and thereby increases the total gross profits.

Long Time Loans

It goes without saying that most of those loans were short time ones, extending to six months at the outset, some having been renewed for six months more or over, but loans have also been made for several years duration upon mortgages.

Nothing prevents such banks, especially after some years of existence, from granting such loans for five, ten, fifteen, twenty or even more years, repayable by annual instalments or amortization, including

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1,000 MEN AND WOMEN

We want 1,000 men and women each to buy one copy of Edward Porritt's "Sixty Years of Protection in Canada," and see how the protected interests have gripped the Canadian people. This book was first published in 1907 and we sold nearly 300 copies in 1910-11, but it has been out of print for over two years. There is no book equal to this one on the Tariff in Canada. For this reason we tried to get a publisher to bring out another edition, but all were afraid it would not sell. We finally decided to publish it ourselves for the benefit of our readers. We are having it printed in England, because we can get it done more cheaply than anywhere else, and it is now on the press. First, however, we arranged with Mr. Porritt to revise the book and bring it up to 1913, but as he was ill Mrs. Porritt, who is equally as brilliant a writer as her husband, has revised the book and included in it Mr. Porritt's other book, "The Revolt in Canada Against the New Feudalism." This book contains 500 pages and reads like an interesting novel, but it is the dark record and the inside history of our iniquitous tariff laws, how political parties and governments have been debauched and how protection has triumphed by the power of money. If we can get 1,000 men and women to read this book carefully they will be equipped to lead the fight for free trade and freedom for themselves and their families. The book we expect will arrive in Winnipeg in July but we want to get as many advance orders as possible and for that reason are making the price lower than before. We will book orders now at \$1.25 post paid and we hope all those who intend to join in the fight in earnest will send in their order at once. We have published this book at a big cost specially for our readers and we know they will prize the book very highly. Send your order today—as soon as you read this.

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Gregorie and St. Louis de Courville are inhabited by those workingmen, who find their living in that industry. Each has its parish bank. That of St. Gregorie has assets amounting to \$7,000, and the current loans exceed \$5,000. The general turnover has reached \$35,000.

St. Louis de Courville has had its parish bank only since the 20th of April, 1912, but the assets exceed \$11,000, the general turnover \$13,191, the loans \$6,680.

St. Onesime of Kamouraska is a very small parish, inhabited mostly by farmers and settlers, who have to work in the shanties part of the year to supplement their poor agricultural earnings. When we were invited to organize such a bank there, the parish priest asked us if this parish was not too small for such a venture. We answered no, and we went there to organize the bank in May, 1912.

On the 31st of December, 1912, the assets were \$2,913.80, the general turnover \$3,938.29, and amount loaned out \$571,

mines. A people's bank was organized there three years ago. Without having such a considerable showing as the Thethford mines bank, it is nevertheless proud to point to its general turnover of \$12,000, and to its numerous small loans granted to miners amounting in all to \$9,143.82.

Among the Settlers

We now come to a last group of people, and from our standpoint it is the one that should move than any other claim attention—the agricultural settlers.

Not only have the cities, the towns, large or small, the semi-urban centres and the exclusively agricultural parishes all made the experiment of co-operative banks with an astonishing success, but groups of settlers have also appealed to the same system to help them along and to improve their economic conditions, and they have succeeded.

On the 2nd of November, 1910, we had the pleasure, upon the invitation