

Flower's Cove store. The store at Englee, No. 3, I had to close, as the people were not making a living, and could not support any store; depending on Government relief and charity very largely. The mill, which affords them winter work, and a good fishery last year, has allowed them to get ahead a bit. I held a meeting there the other day, offering to make the store attached to the mill a co-operative store on the profit-sharing principle, viz., giving tickets for all purchases made, and sharing profits in proportion to business done. This, I hope, will become co-operative soon again. The two Labrador stores, I cannot tell you very much about. One is very small, there being no one of ability in the place to co-operate the others. The other is the first I started, and has done exceedingly well. They are building a new store of their own, ordering it all down from our mill. And it will go down in our schooner, which goes every year for their fish. I can't get their balance sheet till the ice lets me across.'

Then he says: 'I think of these things as sermons in stores (not stones).' Dr. Grenfell's idea is that these stores are sermons to the people. They teach them what association one with another, sharing each other's burdens, will do, and he looks upon that as the best possible means of conveying to them the Gospel, which it has been his main purpose to preach. (Continues reading):

'Their influence is far greater than the amount of business they do. They have reduced prices. You have only to go to them and you will hear, not so much that they are far below the traders now, but that the traders are far below what they used to be.

'I do not want to boast of the stores. If any business man had the interest I have in them in his heart, and was methodical in his work for them, they would be ten times better. I am ashamed to think what they might be, compared with what they are, if I had been as keen about them and had been able to give as much time to them as I might, perhaps, have done.

'We are building another schooner, two motor launches and a large barge on the mill this winter. Our method is, perhaps, unique. We wait until we find out how the people are off individually, and we first of all give a contract for so many logs to each in proportion to his needs. That is, enough to enable him at least not to want common food and the necessaries of life. Then we give the balance of it (25,000 this winter) to those who wish to work.'

That is all he says in that letter on the subject of co-operation. I will now hand in a report of the co-operative store at Breha. There is just this statement which I would like to read. (Reads):

'At the annual meeting, 1906, Dr. Grenfell was voted into the chair. Shareholders representing the majority of shares were present.

'The store has had a very prosperous year, and is in a position to pay 10 per cent to its shareholders.

'The accompanying statement will show the figures.

'It was agreed at the meeting that 10 per cent was too much to pay merely for borrowing money for capital for the store. The store can get all the money that it needs at 5 per cent. And it does not intend, in future, ever to pay more than that on money borrowed. A five-dollar share, placed in the store when it commenced in 1900, is now worth \$7.37, and the store proposes to pay in future at a regular rate of 5 per cent compound interest on the capital it has borrowed. It proposes in future to divide the balance of its profits in proportion to the purchases made among the shareholders that deal with it. Any man holding one share in the store will receive back on every dollar he spends in the store as much as the profits made by the store, after paying the interest on the capital, will permit. In this way the store encourages men to become members. It also gives advantages to members, and it also saves the members being obliged to pay the absurd interest of 10 per cent to those who do not deal with the store, but only lend it money. The store would point out that the members who deal with the store are at present obliged to pay more for their goods, so as to pay a 10