

## Subsection 2.—Co-operative Credit in Quebec.

A form of co-operation which has achieved great success is that which provides short-term credit for small farmers and industrial workers in the province of Quebec. In 1900, what are known as "Les Caisses Populaires", or People's Banks, were begun with the establishment by the late Alphonse Desjardins of La Caisse Populaire at Lévis. M. Desjardins adopted the principles of lending money only for approved purposes to carefully selected members in a restricted area, of limited liability, of withdrawable shares of small amount payable by instalments and of distribution of profits. These banks are for the most part established in agricultural districts. Loans are made to purchase agricultural implements at cash prices, to increase farm live stock, to improve farm buildings, to tide over a period of depression, to get out of a merchant's debt and for various other similar purposes. The loans, though comprised within the term "short credit", are for longer periods than are usual in ordinary commercial transactions, because agricultural operations necessarily extend over longer periods than those of trade. They may be for 12, 15, or even 24 months, because they must give time for the farmer to realize on his products.

At present these banks are organized under the Quebec Syndicates Act, 1906. The value of the shares is generally \$5, which may be paid in instalments. The liability of the shareholders is limited to the value of their shares, which generally does not exceed \$2,000 per shareholder. Shareholders and borrowers must reside within the area of the bank's field of operations, except that under the by-laws shareholders who remove from the locality may continue their holdings in the bank, but without participation in the management by holding office. Larger loans are made upon mortgage and the smaller ones upon notes, but a portion of the loan capital and interest must be repaid at fixed periods in such a way as to extinguish the debt within a determinate time. Each bank is administered by a board of from five to nine members. A credit committee of at least three members passes on the loans requested by shareholders, and a board of supervision of three members checks loans and value of securities and audits the accounts. The members of these boards give their services gratuitously.

The following table (Table 23) exhibits the progress of the banks during the thirteen years 1915 to 1927. The table is compiled from statistics included in successive volumes of the Quebec Year Book.

23.—Progress of Co-operative People's Banks in Quebec, 1915-1927.

Years.	Banks Reporting.	Members.	Depositors.	Borrowers.	Loans Granted.	Value of Loans Granted.	Profits Realized.
	No.	No.	No.	No.	No.	\$	\$
1915.....	91	23,614	18,693	6,728	8,983	1,483,160	89,863
1916.....	94	25,028	18,513	6,696	11,201	1,641,258	100,945
1917.....	93	25,609	18,977	7,458	12,741	2,306,172	148,591
1918.....	98	27,593	20,672	8,056	14,293	2,623,096	180,039
1919.....	100	29,795	23,451	9,148	14,886	3,667,004	238,375
1920.....	113	31,762	26,238	9,213	15,390	4,341,544	311,323
1921.....	100	31,029	30,570	9,219	14,983	1,248,725	352,940
1922.....	108	33,166	30,583	8,999	13,367	2,891,092	334,396
1923.....	111	32,173	29,771	8,373	12,273	3,429,444	354,804
1924.....	119	31,250	30,874	8,414	11,017	3,763,852	398,976
1925.....	122	33,279	33,527	9,384	13,682	3,909,790	449,531
1926.....	154	36,298	37,343	10,418	15,843	4,495,956	468,034
1927.....	159	41,365	40,753	11,754	16,832	4,779,761	537,294