



THE FARMERS' BANK OF RUSTICO



Prince Edward Island

WHY OPEN A BANK IN RUSTICO?

As soon as he arrived in Rustico, Father Georges-Antoine Belcourt was very concerned about the economic situation of his Acadian parishioners. Most of them occupied small farms that were rented from large landowners. Many of them were heavily indebted and in danger of losing their property and being evicted from their farms. In addition, there was a lack of available land for the young generation and the majority of Acadians did not have the financial means to buy land that was for sale.

After visiting his parishioners during the winter of 1860, Father Belcourt already had a plan in mind to help them. He suggested that they form a society to raise money to buy land for sale in the area. The project was discussed at the meetings of the members of the Catholic Institute of Rustico. As a result, the Farmers' Bank of Rustico was founded in September 1861.

In a letter dated July 1, 1862, Father Belcourt explains to the historian Edme Rameau de Saint-Père, of Paris, why he had not yet incorporated this small bank:



Banknote from the Farmers' Bank of Rustico. (Farmers' Bank Museum of Rustico) ▲

You can imagine that we are not yet operating on a large scale. We are like children who only weigh one pound at birth. We have not yet issued banknotes; therefore we have not yet incorporated our association. We are waiting for our capital to become more substantial. For us who are united as one man, we can act for a year or two in this manner. [...] If the outcome is as expected, the farmers will be rich this fall, and we hope to have our bank incorporated at the next session. (Translation)

The Legislative Assembly of the Island passed a bill for its incorporation on April 21, 1863. The bill was sanctioned by Queen Victoria on April 7, 1864.

POSITIVE OUTCOMES

By creating this banking institution, Father Belcourt wanted to develop an economic and entrepreneurial spirit among his parishioners. He encouraged them to invest in the bank by buying shares and opening savings accounts. At the same time, he taught them how to operate the institution. As a result, the farmers of Rustico were soon able to manage their bank on their own. The Bank of Rustico also attracted a clientele of anglophones and Acadians living elsewhere on the Island.

In 1867, the Bank had an office with a safe in the new parish hall. It was only open a few hours a week, on Wednesday afternoons, when the directors met to approve loans. The bank even issued its own one-dollar, two-dollar and five-dollar bills.

Father Belcourt was proud of the impact the bank's success had on the Acadian population. Here is what he wrote to Edme Rameau in 1867:

◀ Safe from the Farmers' Bank of Rustico. (Photo - Carter Jeffery)



You would not believe how much the ownership and positive outcome of the Institute and the Farmers' Bank has raised the French Acadians in the esteem and appreciation of the whole population of the Island. They have fully proved that they are by no means behind other nationalities in any capacity, if only they were given an opportunity to show it. (Translation)

A HISTORICAL EVENT

The Farmers' Bank of Rustico operated successfully until 1894. Founded when the Island was not yet part of Canada, it had to close its doors because Canadian banking laws at the time did not allow the existence of such small banks.

However, the creation of this Acadian bank proved to be an important event in the history of banks and credit unions in Canada. It was the very first people's bank and the smallest bank to have existed in Canada. It is considered to be the forerunner of the caisses populaires and credit unions of North America. In 1971, the Historic Sites and Monuments Board of Canada recognized its significance and unveiled a commemorative plaque at Rustico.

FOOD FOR THOUGHT

1. What are your thoughts on Father Belcourt's concern for his parishioners' economic situation?
2. What does the term "people's bank" mean?
3. How were the parishioners empowered by owning the bank?
4. Choosing a design for a banknote is important. Draw a banknote that represents an important person or event and explain the reasoning behind your choice.

