

Private Banks

Before the national chains arrived, individual businessmen filled the financial needs of their communities



▲ Napinka's first bank was located in the DeWitt and Gaudin store.

The term “entrepreneur” is one we use quite often today, but the facts are that the real age of the entrepreneur in the western prairies was the pioneer era.

Today, while the small independent business people are highly valued, many Canadians spend most of their money at large corporate providers of goods and services. They weren't here in those early days when agricultural communities were establishing themselves, but they were quick to move in once the whole “settlement of the west” was showing signs of success.

Until then, goods and services weren't often provided under the heading of a national brand.

Banking is a good example.

As towns developed, increased commerce spurred the need for financial services. Those services were at first provided by private banks.

The region's first bank was opened shortly after the town site

of Old Deloraine was developed not far from the Land Titles Office. A. P. Stuart and his brother, Frederick Thomas Stuart, a solicitor, built the stone vault that remains on the site, today. By 1886 the brothers had set up shop in the new town of Deloraine on 108 South Railway Avenue and were still in operation as Bankers and Brokers in 1898.

It wasn't until 1899 that the Union Bank came to town, followed by the Dominion Bank in 1902.

The year 1891 in Melita saw A. W. Law & Co. of Souris open a small private bank with A. T. Broderick as manager. It wasn't until 1898 that the Union Bank of Canada opened a branch. As often happened, the private bank was merged with the chartered bank branch, and Mr. Broderick stayed on as manager. His knowledge of local people and conditions would have been valued.

► An ad from an early private bank that operated in Deloraine from 1886—1889.

Hartney was also serviced by A. W. Law and Co., until that operation was purchased by the Union Bank in 1903, long after the town was well established.

Boissevain's first bank was Cowan and Co., owned by W. Cowan, established in 1888. Since no suitable building was at first available, Mr. Cowan had his office in a corner of Tatchell and Hurt's grain warehouse. This business was closely followed in 1889, by the Commercial Bank of Manitoba. In 1890 D. M. Sutherland, a man of varied business interests, opened Sutherland's Savings Bank and Boissevain had three banks.

In most cases, these small-town private banks were supported by the chartered banks with loans and access to the cheque clearing system.

The demise of private banking follows a pattern that is still observable today. Internal efficiencies, access to global investment opportunities, and the advantages of “brand name” marketing create stiff competition to independent operators.

Private banks represent a phase in the establishment of extensive branch systems by the chartered banks. Due to their relationships with the chartered banks, to the structure of the Canadian banking system, and to the nature of economic development in newly colonized places, private banks were somewhat unique.

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