

Credit Unions.*—A credit union is a regularly incorporated group of persons who have joined together to pool and save their money in order to make available for themselves and other members a fund from which members may borrow at reasonable rates of interest for "provident and productive purposes".

This idea was introduced to the North American continent by a Canadian and the first credit union was established in 1900 at Lévis, Que. In 1948 there were 1,078 credit unions in the Province of Quebec alone. In 1922, Ontario passed legislation providing for the legal incorporation of credit unions and by 1939 all provinces had enacted similar legislation. For the year 1948 there were 2,608 credit unions chartered in Canada with a total reported membership of 850,608. This represents an increase of 92 credit unions during the year and an increase in membership of about 71,000 people. Total assets in 1948 were \$253,600,000 compared with \$221,000,000 in 1947. Total savings of credit-union members in Canada during 1948 amounted to \$239,300,000, an increase of over \$30,000,000 during the year. Loans to members in 1948 amounted to \$130,300,000 and since the inception of the first credit union 49 years ago a total of over \$555,000,000 has been lent to members for various purposes.

The Province of Quebec leads in credit-union activity, reporting a membership of almost 540,000 and total assets of over \$205,000,000. Ontario follows with 371 credit unions, a membership of 95,000 and assets of \$16,500,000.

Leagues and Federations.—In all provinces credit unions are organized into one or more groups known as leagues or federations. There are in Canada a total of 14 different leagues and federations which count among their membership the majority of all chartered credit unions. The purpose of these leagues and federations is to encourage and assist in the organization and promotion of credit unions, to aid in management and to give advice in bookkeeping and accounting procedures. Some leagues also arrange for group bonding of treasurers and the co-operative purchase of bookkeeping and office supplies. Most of these leagues are affiliated with the Credit Union National Association (CUNA) in the United States, a national body organized for the protection and promotion of credit unions in that country. CUNA also makes available to affiliated leagues certain insurance services as well as credit union supplies on a co-operative basis.

Central Credit Unions.—As credit unions grew and developed the need for central banking facilities became apparent and, accordingly, provincial central credit unions with membership open to credit unions, and in some provinces to co-operatives as well, were organized to provide loans from the surplus funds of other member organizations. There are now in Canada 19 such central credit unions, 10 of which are located in the Province of Quebec.

Under the guidance of the Co-operative Union of Canada, a national committee has been studying the possibility of a national co-operative credit society which will serve as a central bank for the various provincial central credit unions.

*Prepared by J. E. O'Meara, Economics Division, Marketing Service, Department of Agriculture, Ottawa.