

**The Montreal City and District Savings Bank** was founded in 1846 and has operated under a federal charter since 1871. At October 31, 1972, it had a paid-up capital and reserve of \$23.0 million, savings deposits of \$657.2 million and total liabilities of \$701.8 million. Assets of a like amount included \$238.5 million, consisting of federal, provincial, municipal and other securities.

**Credit unions.** The first credit union in Canada was founded in Lévis, Que., in 1900 to promote thrift by encouraging saving and to provide loans to members who could not get credit elsewhere or could get it only at high interest rates. For many years growth was slow; in 1911, when the first figures were available, assets amounted to \$2 million and by 1940 they were only \$20 million. However, since that time there has been a spectacular increase. Assets of the Quebec credit unions amounted to over \$1,000 million at the end of 1964 and to over \$3,000 million at the end of 1971. In other provinces, credit unions have not attained the same importance as they have in Quebec; the first credit union legislation was passed in Nova Scotia in 1932 followed by legislation in Manitoba and Saskatchewan in 1937 and in Ontario and British Columbia in 1938.

Credit unions are under provincial legislation. Almost all local offices in each province belong to central credit unions operating within the province either directly or through regional unions. There is a considerable difference between Quebec and the other provinces in the asset-holding of credit unions; Quebec unions have a large proportion of their investments in the form of mortgages and government bonds while unions in the other provinces have a greater percentage in loans. Credit unions probably play their most important role in smaller communities where they may function to a large extent as local banks. The number of chartered credit unions in Canada at the end of 1971 was 4,441 which reported a total membership of 5.6 million and assets of \$5,588 million (Table 19.17). Quebec, with 3.2 million members and assets of \$3,046 million accounted for 57% and 54%, respectively, of total membership and total assets of all credit unions in Canada. Credit unions classified by bond of association on a percentage basis were: occupational 27, residential 61 and associational 12.

Canadian credit unions in the 1961-71 decade have continued their steady growth (Table 19.18). Loans granted by credit unions increased by 2.7% in 1971 to reach \$1,829 million, being a 217% increase over the corresponding figure of \$570 million in 1961. Assets at \$5,588 million increased by 205% and savings at \$5,159 million increased by 225% in the same comparison. Membership of 5.6 million represented 25% of the total population, compared with 2.8 million and 15%, respectively, in 1961. Assets, liabilities and members' equity of local credit unions in Canada are given in Table 19.19.

There were 20 central credit unions in 1971; these unions act as credit unions for the credit unions, mainly by accepting deposits of surplus funds from them and providing a source of funds for them to borrow when they cannot meet the demand for local loans. Most of the centrals also admit co-operatives as members. Total assets of the centrals increased by 29% to \$852 million and loans to members increased 2% to \$478 million over the previous year. The Canadian Co-operative Credit Society serves as a central credit union for the provincial centrals and large co-operatives all across Canada.

## 19.2 Other financial institutions

### 19.2.1 Trust and mortgage companies

Trust and mortgage companies are registered with either the federal or provincial governments. They operate under the Loan Companies Act (RSC 1970, c.L-12) and the Trust Companies Act (RSC 1970, c.T-16, as amended) or under corresponding provincial legislation.

Trust companies operate as financial intermediaries in the same way as mortgage companies, chartered banks or savings and other financial institutions and are the only corporations in Canada with power to act as trustees for property interests and to conduct other fiduciary business. In this capacity they act as executors, trustees and administrators under wills or by appointment, as trustees under marriage or other settlements, as agents in the management of estates of the living, as guardians of minor or incapable persons, as financial agents for municipalities and companies, as transfer agents and registrars for stock and bond issues, as trustees for bond issues and, where so appointed, as authorized trustees in bankruptcies.

Trust and mortgage companies were established and grew rapidly under provincial