

Credit Unions

The first "caisse populaire" in Canada was organized at Lévis, Quebec, by Alphonse Desjardins in the year 1900. Two other "caisses populaires" were organized by him in the province before the Co-operative Syndicates Act was passed in 1906, controlling the operations of "caisses populaires" in the province. By 1930 "caisses populaires" had made considerable progress in Quebec, but other provinces lacked appropriate legislation for their incorporation and supervision, with the result that few were organized, some of these few failed but others are still in operation. Meanwhile the idea of the industrial credit union evolved in the United States out of modifications of the "caisse populaire" to suit the needs of industrial workers.

Conditions of the 1930's brought keen interest in credit unions. The idea received considerable impetus from the Antigonish movement in Nova Scotia. Management of industrial firms began to recognize the potential of credit unions in helping their employees. In a few years appropriate legislation was adopted in all provinces and the credit-union movement entered a phase of rapid growth which continues (Table 4). By 1958 there were 4400 credit unions^{1/} in Canada with 2.2 million members and over \$1,000 million assets. Credit unions now have more members and more assets than all other types of co-operatives taken together.

Table 4. - Credit Unions in Canada, 1920 - 1958

| Year | : Number : Chartered | : Members | : Assets |
|------|-------------------------|-----------|---------------------|
| | - number - | | - million dollars - |
| 1920 | 113 | 31,029 | 6 |
| 1925 | 122 | 33,279 | 8 |
| 1930 | 179 | 45,767 | 11 |
| 1935 | 277 | 52,045 | 10 |
| 1940 | 1,167 | 201,137 | 25 |
| 1945 | 2,219 | 590,794 | 146 |
| 1950 | 2,965 | 1,036,175 | 312 |
| 1955 | 4,100 | 1,731,328 | 653 |
| 1958 | 4,436 | 2,212,698 | 1,008 |

The Province of Quebec has maintained its prominence in the movement, with a third of all the credit unions in the country, half of the total membership and over 60 per cent of the assets.

Central credit unions have been formed in all provinces. These act as depositaries for the surplus funds of their member locals and make loans to their members and to other co-operative organizations. Membership of the centrals is composed chiefly of local credit unions, but in some provinces it also includes some co-operatives. There were 27 central and co-operative credit societies in Canada in 1958, some of which served a small region while others served whole provinces. They reported total assets

^{1/} This includes "caisses populaires". Although there are differences between the two institutions, it is quite acceptable to use the phrase "credit union" as the English translation of the French "caisse populaire".