

## Production Co-operatives

Besides co-operative farms and wood-producers' co-operatives<sup>1</sup> this group of societies includes grazing, feeder, artificial-insemination and machinery co-operatives. In 1966 the volume of business amounted to \$15 million, for 372 production co-operatives with 33,000 members and \$10 million of assets.

## Credit Unions

Credit unions and *caisses populaires* are co-operative societies organized among groups of people to accumulate savings and lend the money to members at reasonable rates of interest. The Rustico Farmer's Bank, chartered in Prince Edward Island in 1864, was a forerunner of these credit organizations.

Alphonse Desjardins organized the first *caisse populaire* at Lévis, Quebec, in 1900. He organized two others in the province before the Co-operative Syndicates Act, which provides the legal basis for this type of organization, was passed in 1906. By 1930 there were many *caisses populaires* in Quebec. Other provinces lacked legislation governing incorporation and supervision of *caisses populaires*, so that only a few were organized and most of these failed.

The *caisse populaire* idea spread to the United States. There it was modified to form credit unions, which met the needs of industrial workers. The *caisse populaire* used the parish, and the industrial credit union used the place of employment, as a basis of association for members.

Interest in credit unions increased during the depression of the 1930s. In Nova Scotia, the organization of credit unions was encouraged with considerable success by extension workers of St. Francis Xavier University. Management of industrial firms across Canada began to see the potential of credit unions in helping their employees. In a few years, appropriate legislation was adopted in all provinces and the organization of both industry and rural community credit unions was encouraged. The finance-co-operative movement entered a phase of rapid growth, which still continues. Credit unions and *caisses populaires* now have more members and more assets than all other types of co-operative added together. In 1966 there were 4,871 credit unions and *caisses populaires*, with 3,953,200 members and total assets of \$2.9 billion. The Province of Quebec, still leading, has a third of all the finance co-operatives in the country, half of the total membership and more than 50 per cent of the assets.

Central credit unions and *caisses populaires* have been formed in all provinces. These act as depositories for the surplus funds of their member locals, and lend money to their members and, in some cases, to other co-operative organizations. Membership of the centrals is composed chiefly of local credit unions and *caisses populaires*, but in some provinces the central includes co-operatives and is called a co-operative credit society. Altogether, there were 28 centrals in Canada in 1966. Some of these served a small region, others whole provinces. Their total assets were \$407 million, including investments of \$190 million and loans to members of \$126 million. Members' deposits totalled \$299 million and the centrals made loans of \$265 million to members during the year.