

ROYAL COMMISSION STUDY
SECTION VI
FINANCIAL ASSETS

We need to know more about your family's savings and their value at the present time. We are interested in your family's personal saving only, and not in anything to do with your business interests.

CHEQUING ACCOUNTS

- 1.(a) Who in your family has a current or personal chequing account in a Canadian chartered bank? (CHECK BELOW UNDER QUESTION 1(a))
- (b) And now could you tell us approximately what the balance is in these current or personal chequing accounts as of JUNE 30, 1962? And what were these balances six months ago – that is, as of DECEMBER 31, 1961 and a year ago – DECEMBER 31, 1960?

TRY TO GET RESPONDENT TO GIVE ANSWERS TO THESE QUESTIONS WITHOUT CHECKING ANY RECORDS AND RECORD IN APPROPRIATE COLUMNS BELOW. HOWEVER, IF RESPONDENT HAS NO IDEA OF THE ANSWER, THEN SUGGEST HE CHECKS ANY RECORDS HE MAY HAVE. RECORD ANSWERS, AND CHECK IN THE BOX HEADED "RECORDS".

	<u>Q. 1(a)</u>		<u>Q. 1(b)</u>					
	CURRENT OR		BALANCE AS OF <u>JUNE 30/62</u>	RECORDS	BALANCE AS OF <u>DEC. 31/61</u>	RECORDS	BALANCE AS OF <u>DEC. 31/60</u>	RECORDS
	PERSONAL							
	CHEQUING ACCOUNT							
	<u>YES</u>	<u>NO</u>						
HEAD OF HOUSEHOLD	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>
WIFE	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>
OTHERS IN FAMILY	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>

- 2.(a) Have you or members of your family had balances in foreign banks on JUNE 30, 1962, DECEMBER 31, 1961, or DECEMBER 31, 1960?

CHECK WHICH BELOW, AND FOR EACH BALANCE HELD ASK QUESTIONS 2(b) AND 2(c).

- (b) What were the amounts held on these dates?
- (c) What proportion was held in United States banks?

<u>BALANCE HELD</u>	<u>Q. 2(a)</u>		<u>Q. 2(b)</u>	<u>Q. 2(c)</u>	<u>RECORDS</u>
	<u>YES</u>	<u>NO</u>			
			<u>AMOUNT</u>	<u>PROPORTION IN U.S. BANKS</u>	
June 30, 1962	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____ %	<input type="checkbox"/>
Dec. 31, 1961	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____ %	<input type="checkbox"/>
Dec. 31, 1960	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____ %	<input type="checkbox"/>

SAVINGS ACCOUNTS

- 3.(a) Who in the family has savings accounts in any of the following – federal banks, provincial banks, post office savings banks, trust companies, credit unions, Alberta Treasury branches, Caisses Populaires or any other savings accounts. (CHECK BELOW UNDER QUESTION 3(a).)
- (b) In which of these organizations is this account? (CHECK BELOW UNDER QUESTION 3(b).)
- (c) And what was the amount of each of these accounts as of JUNE 30, 1962? And what were these balances six months ago – that is, as of DECEMBER 31, 1961 and a year ago, DECEMBER 31, 1960? (AGAIN, SUGGEST RESPONDENT CHECK RECORDS ONLY IF HE CANNOT ANSWER WITHOUT THEM AND RECORD ANSWERS APPROPRIATELY)

	Q. 3(a) HAVE SAVINGS ACCOUNTS		Q. 3(b) TYPE OF ORGANIZATION	Q. 3(c)					
	YES	NO		BALANCE AS OF JUNE 30/62		BALANCE AS OF DEC. 31/61		BALANCE AS OF DEC. 31/60	
				RECORDS		RECORDS		RECORDS	
HEAD OF HOUSEHOLD	<input type="checkbox"/>	<input type="checkbox"/>	_____	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>
WIFE	<input type="checkbox"/>	<input type="checkbox"/>	_____	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>
OTHERS IN FAMILY	<input type="checkbox"/>	<input type="checkbox"/>	_____	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>

- 4.(a) Did you or members of your family have savings accounts in foreign banks or institutions on JUNE 30, 1962, DECEMBER 31, 1961, or DECEMBER 31, 1960?

CHECK WHICH BELOW, AND FOR EACH BALANCE HELD ASK QUESTIONS 4(b) AND 4(c).

- (b) And what were the amounts held on these dates?
- (c) What proportion was held in United States banks?

Q. 2(a) BALANCE HELD	Q. 2(b)		Q. 2(b) AMOUNT	Q. 2(c) PROPORTION IN U.S. BANKS		RECORDS
	YES	NO				
June 30, 1962	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____ %	<input type="checkbox"/>	
Dec. 31, 1961	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____ %	<input type="checkbox"/>	
Dec. 31, 1960	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____ %	<input type="checkbox"/>	

5. About how many cheques did you write on your savings accounts during the past year? (CHECK BELOW THE GROUP INTO WHICH THE NUMBER OF CHEQUES YOU WROTE WOULD FALL)

None	<input type="checkbox"/>
1 – 10	<input type="checkbox"/>
11 – 50	<input type="checkbox"/>
51 – 100	<input type="checkbox"/>
Over 100	<input type="checkbox"/>

- 6.(a) Some people choose to make special arrangements for depositing money to a savings account on a regular basis, such as through a Christmas Club, or some other special savings plan. Are you now a member of any plan of this kind for making regular increases to any of your accounts? (DO NOT INCLUDE REGULAR DEPOSIT OF SALARY OR OTHER REGULAR INCOME)

YES ☐ NO ☐

IF "NO", TO QUESTION 6(a), ASK QUESTION 6(b). IF "YES", TO QUESTION 6(a), GO TO QUESTION 7.

- (b) Have you contributed to any such plan during the past five years – that is, since JUNE 1957? (ENTER YEAR OR YEARS IN WHICH PARTICIPATED IN SUCH PLANS)

1962 ☐ 1959 ☐
 1961 ☐ 1958 ☐
 1960 ☐ 1957 ☐

7. How did you determine the choice of financial organizations (bank, trust company, credit union, etc.) in which to open your savings account – that is, what were the reasons for your choice of a particular financial organization?

- 8.(a) Who in the family owns shares in a credit union?

CHECK WHO BELOW AND WHERE SHARES HELD, ASK QUESTION 8(b).

- (b) What was the value of the shares held on JUNE 30, 1962, DECEMBER 31, 1961, and DECEMBER 31, 1960.

	Q. 8(a) SHARES HELD		BALANCE AS OF JUNE 30/62	RECORDS	Q. 8(b) BALANCE AS OF DEC. 31/61		RECORDS	BALANCE AS OF DEC. 31/60		RECORDS
	YES	NO								
HEAD OF HOUSEHOLD	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>		
WIFE	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>		
OTHERS IN FAMILY	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>		

CANADA SAVINGS BONDS

9. Does anyone in your immediate family own Canada Savings Bonds?

YES ☐ NO ☐

IF "YES", ASK QUESTION 10(a). IF "NO", GO TO QUESTION 16.

- 10.(a) Who in your family owns these bonds? (CHECK BELOW)

FOR EACH PERSON WHO OWNS CANADA SAVINGS BONDS, ASK QUESTION 10(b).

- (b) What was the financial value of these holdings at JUNE 30, 1962, DECEMBER 31, 1961, DECEMBER 31, 1960? (LIST BELOW FOR EACH PERSON OWNING BONDS)

Q. 10(a) OWN CANADA SAVINGS BONDS			Q. 10(b) VALUE OF BONDS OWNED		
	YES	NO	JUNE 30/62	DEC. 31/61	DEC. 31/60
HEAD OF HOUSEHOLD	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____	\$ _____
WIFE	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____	\$ _____
OTHERS	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____	\$ _____

11. Are any of the members of your family enrolled in some plan for making regular purchases of Canada Savings Bonds?

YES ☐ NO ☐

- 12.(a) When was this most recent purchase made by a member of your household?

YEAR _____ MONTH _____

- (b) What was the rate of interest on this issue when it was purchased?

_____ %

- (c) And is the rate of interest on this issue the same today?

YES ☐ NO ☐

**IF MOST RECENT PURCHASE OF CANADA SAVINGS BONDS WAS
SINCE JUNE 1957, ASK QUESTION 13.**

13. How often during the past five years have you purchased Canada Savings Bonds? Would you say you had purchased them regularly, occasionally, or just how would you describe your Canada Savings Bonds purchases?

REGULARLY ☐

OCCASIONALLY ☐

OTHER (SPECIFY) _____

14. What do you intend to do with your Canada Savings Bonds? (PROBE)

- 15.(a) Do you intend to buy more Canada Savings Bonds in the future?

YES ☐ NO ☐

- (b) Why do you say this? (PROBE)

OTHER BONDS

READ THE FOLLOWING QUESTIONS, AND FOR EACH TYPE OF BOND OWNED RECORD ANSWERS IN APPROPRIATE COLUMNS IN CHART ON NEXT PAGE. IF NONE OF THESE BONDS OWNED, GO TO QUESTION 20.

- 16.(a) Who in your family owns Government of Canada marketable bonds or Treasury Bills, provincial government bonds, municipal government bonds, corporate bonds, or bonds of foreign governments or enterprises?
- (b) Which of these types of bonds was that?
- (c) What is the face value of each holding?
- (d) What was the last issue you bought?
- (e) What was the yield on this last issue you bought?
- (f) What was the source of the funds used to buy these bonds? (e.g. sale of assets, maturing securities, loan, cash, etc.)
- (g) Do you expect to buy more bonds in the future?
- (h) Why do you expect/not expect to buy more bonds in the future? What are your reasons for feeling this way?
- (i) Could you give me an estimate of the face value of your holdings of these bonds on DEC. 31, 1961 and on DEC. 31, 1960? (ENTER BELOW)

FACE VALUE

Dec. 31, 1961	\$ _____
Dec. 31, 1960	\$ _____

SECTION VI

OTHER BONDS

Q. 16(a)	Q. 16(b)	Q. 16(c)	Q. 16(d)	Q. 16(e)	Q. 16(f)	Q. 16(g)	Q. 16(h)
PEOPLE IN FAMILY OWNING BONDS	TYPE OF BONDS OWNED	FACE VALUE OF HOLDINGS	LAST ISSUE BOUGHT	YIELD ON LAST ISSUE BOUGHT	SOURCE OF FUNDS TO PURCHASE BONDS	EXPECT TO BUY MORE BONDS IN FUTURE YES NO	REASONS FOR PURCHASING OR NOT PURCHASING MORE BONDS IN FUTURE
HEAD OF HOUSEHOLD	<input type="checkbox"/>	\$				<input type="checkbox"/> <input type="checkbox"/>	
		\$				<input type="checkbox"/> <input type="checkbox"/>	
WIFE	<input type="checkbox"/>	\$				<input type="checkbox"/> <input type="checkbox"/>	
		\$				<input type="checkbox"/> <input type="checkbox"/>	
OTHERS IN FAMILY	<input type="checkbox"/>	\$				<input type="checkbox"/> <input type="checkbox"/>	
		\$				<input type="checkbox"/> <input type="checkbox"/>	

- 17.(a) During the period JANUARY 1st, 1962 – JUNE 30th, 1962, were you a net buyer or net seller of the following classes of bonds? That is, was the total value of the bonds you purchased worth more than the total value of the bonds you sold?

	<u>NET BUYER</u>	<u>NET SELLER</u>	<u>NEITHER</u>
GOVERNMENT OF CANADA (excluding Savings Bonds but including Treasury Bills)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROVINCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MUNICIPAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CORPORATE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOREIGN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- (b) Why did you manage your bond investment programme in this way in this period? (PROBE)

- 18.(a) Now going back to the previous year, that is, JANUARY 1st – DECEMBER 31st, 1961, were you a net buyer or a net seller of these bonds?

	<u>NET BUYER</u>	<u>NET SELLER</u>	<u>NEITHER</u>
GOVERNMENT OF CANADA (excluding Savings Bonds but including Treasury Bills)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROVINCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MUNICIPAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CORPORATE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOREIGN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- (b) And why did you manage your bond investment programme in this way, during 1961? (PROBE)

- 19.(a) Now, about 1960, were you a net buyer or net seller?

	<u>NET BUYER</u>	<u>NET SELLER</u>	<u>NEITHER</u>
GOVERNMENT OF CANADA (excluding Savings Bonds but including Treasury Bills)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PROVINCIAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MUNICIPAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CORPORATE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FOREIGN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- (b) And what were your reasons for following this plan in 1960? (PROBE)

ASK THIS QUESTION OF THOSE WHO ANSWERED "NONE" TO QUESTION 16(a).

- 20.(a) Have you, since 1957, "seriously considered", to the point of discussing prices and yields with a seller or dealer, buying any bonds other than Canada Savings Bonds and decided to postpone the purchase?

YES ☐ NO ☐

FOR EACH BOND MENTIONED ASK QUESTIONS (b), (c) AND (d) AND RECORD ANSWERS IN APPROPRIATE COLUMNS BELOW, OTHERWISE GO TO QUESTION 21.

- (b) What bonds?
 (c) When was this decision not to buy made?
 (d) Why was it made? (PROBE)

<u>Q. 20(b)</u>	<u>Q. 20(c)</u>		<u>Q. 20(d)</u>
<u>BONDS</u>	<u>WHEN</u>		<u>REASON FOR DECISION</u>
	<u>YEAR</u>	<u>MONTH</u>	
_____	_____	_____	_____

MORTGAGE LOANS OR PERSONAL LOANS OUTSIDE FAMILY

- 21.(a) Who in the family has a mortgage loan, or personal loan owed to *him* by a party outside of the family?

ASK QUESTIONS 21(b) – 21(f) AND FOR EACH LOAN RECORD ANSWERS IN APPROPRIATE COLUMNS IN CHART BELOW, OTHERWISE GO TO QUESTION 21(g).

- (b) What is the form of the loan – that is, is it a first mortgage, a second mortgage or a note?
 (c) When was this loan made?
 (d) And what was the original amount of the loan?
 (e) Was it a vendor mortgage – that is, was it granted at the time you sold a piece of real estate and made to the party to whom the property was sold?
 (f) What is the outstanding amount owing as of JUNE 30, 1962, and what was the amount owing in respect of similar loans as of DECEMBER 31, 1961, and of DECEMBER 31, 1960?

Q. 21(a) PERSON IN FAMILY WITH MORTGAGE OR OTHER LOAN OWED	Q. 21(b) FORM OF LOAN	Q. 21(c) WHEN LOANS MADE		Q. 21(d) ORIGINAL AMOUNT OF LOAN	Q. 21(e) VENDOR MORTGAGE YES	Q. 21(f) AMOUNT OWING		
		YEAR	MONTH			JUNE 30 1962	DEC. 31 1961	DEC. 31 1960
HEAD OF HOUSEHOLD	<input type="checkbox"/>			\$	<input type="checkbox"/>	\$	\$	\$
				\$	<input type="checkbox"/>	\$	\$	\$
WIFE	<input type="checkbox"/>			\$	<input type="checkbox"/>	\$	\$	\$
				\$	<input type="checkbox"/>	\$	\$	\$
OTHERS IN FAMILY	<input type="checkbox"/>			\$	<input type="checkbox"/>	\$	\$	\$
				\$	<input type="checkbox"/>	\$	\$	\$

21.(g) Have you granted a mortgage loan any time in the past five years and subsequently sold this mortgage?

YES ☐ NO ☐

FOR EACH MORTGAGE GRANTED ASK QUESTIONS 21(h) AND (i) AND RECORD ANSWERS BELOW.

(h) Was this a first or a second mortgage?

(i) Was this sold directly to a private individual or to a company which deals in mortgages?

Q. 21(g) MORTGAGES GRANTED	Q. 21(h) TYPE OF MORTGAGE		Q. 21(i) SOLD TO	
	FIRST	SECOND	INDIVIDUAL	COMPANY
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

MUTUAL FUND, INVESTMENT TRUSTS, INVESTMENT CLUBS

22.(a) Does anyone in your household have shares in Mutual Funds, Investment Trusts or Investment Clubs?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 22(b) - 22(f) OTHERWISE GO TO QUESTION 23.

(b) Who in the family has shares in one of these? (LIST ON PAGE BELOW)

FOR EACH INVESTMENT BY EACH FAMILY MEMBER ASK QUESTIONS 22(c) – 22(f) AND RECORD IN APPROPRIATE COLUMN ON PAGE BELOW.

- (c) Which type of institution are these shares with – that is, with a Mutual Fund, Investment Trust, or Investment Club?
- (d) Are they quoted in the newspaper?
- (e) What is the total market value of these shares?
- (f) Have you been investing regularly in this way throughout the last five years – that is, since JUNE 1957?

IF "YES", TO QUESTION 22(f) ASK QUESTIONS 22(g), (h) AND (i). IF "NO", TO QUESTION 22(f) ASK QUESTIONS 22(j) AND (k).

If "Yes", to Question 22(f), Ask:

- (g) How often do you invest this way – that is, yearly, monthly or how?
- (h) And how much do you invest this way, each year?
- (i) What was the market value of your share holdings as of DECEMBER 31, 1961 and as of DECEMBER 31, 1960?

If "No", to Question 22(f), Ask:

- (j) And when did you begin to invest in this way?
- (k) What were your reasons for choosing to invest in this way, when you did?

SECTION VI

MUTUAL FUNDS, INVESTMENT TRUSTS, INVESTMENT CLUBS

		IF "YES" TO Q. 22(f)				IF "NO" TO Q. 22(f)				
		Q. 22(b)	Q. 22(c)	Q. 22(d)	Q. 22(e)	Q. 22(f)	Q. 22(g)	Q. 22(h)	Q. 22(i)	Q. 22(k)
PERSON IN FAMILY WHO OWNS SHARES	TYPE OF INSTI-TUTION	QUOTED IN NEWS-PAPER	VALUE OF SHARES	INVESTING REGULARLY THIS WAY	NO	YES	HOW OFTEN INVEST THIS WAY	AMOUNT INVESTED PER YEAR	MARKET VALUE OF SHARES HELD AS OF: DEC. 31/61 DEC. 31/60	REASON FOR INVESTING BY THIS TO INVEST PARTICULAR THIS WAY METHOD AT YEAR MONTH THIS TIME
HEAD OF HOUSEHOLD	<input type="checkbox"/>	<input type="checkbox"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>
WIFE	<input type="checkbox"/>	<input type="checkbox"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>
OTHERS (SPECIFY)	<input type="checkbox"/>	<input type="checkbox"/>	\$ <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	<input type="text"/>

PUBLICLY TRADED STOCK

23.(a) Does any of your family own stock which could be bought or sold by the general public?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 23(b) – 23(h). IF "NO", GO TO QUESTION 32.

(b) What are the companies in which this stock is held? (LIST ON NEXT PAGE)

FOR EACH COMPANY IN WHICH STOCK IS HELD, ASK QUESTIONS 23(c) – 23(h) AND RECORD ANSWERS IN APPROPRIATE COLUMNS.

(c) Is this common or preferred stock?

If "Preferred", Ask Question 23(d):

(d) What is the dividend rate?

(e) How many shares do you hold in this company?

(f) How many of these have you acquired during the past five years – that is, since JUNE 1957?
Would it be all of them, most of them, half of them or how many?

(g) What is your best estimate of the price per share at this present time?

(MULTIPLY NO. OF SHARES, QUESTION 23(e), BY PRICE PER SHARE, QUESTION 23(g).
THIS WILL GIVE YOU TOTAL MARKET VALUE OF SHARES HELD IN EACH COMPANY.
THEN CHECK YOUR ANSWER WITH RESPONDENT BY ASKING QUESTION 23(h).

(h) That would make the total market value of the shares in this company about \$ _____. Does that seem correct? (CORRECT IF NECESSARY)

SECTION VIPUBLICLY TRADED STOCK

		<u>IF "PRE- FERRED"</u>						
<u>Q. 23(b)</u>	<u>Q. 23(c)</u>	<u>IN Q. 23(c),</u>	<u>Q. 23(e)</u>	<u>Q. 23(f)</u>	<u>Q. 23(g)</u>	<u>Q. 23(h)</u>		
				ESTI- AMOUNT				
<u>CORPORATION IN WHICH SHARES OWNED</u>	<u>TYPE OF SHARES COMMON PREFERRED</u>	<u>DIVIDEND RATE</u>	<u>NUMBER OF SHARES OWNED</u>	<u>ACQUIRED IN PAST 5 YEARS</u>	<u>PRICE PER SHARE</u>	<u>TOTAL MARKET VALUE OF SHARES</u>		
_____	()	()	_____	_____	_____	_____	\$	_____
_____	()	()	_____	_____	_____	_____	\$	_____

24. How have you financed your stock purchases during the past year? That is, was it by sale of assets, by loan of some type, or by cash, or just how did you finance your stock purchases?

25.(a) Have you maintained an account with a broker during this past year?

YES ☐ NO ☐

If "Yes", Ask Question 25(b)

(b) Do you have a credit balance or a debit balance at present? And how much is this balance?

CREDIT \$____ DEBIT \$____ NEITHER ☐

26.(a) There are some people who have special arrangements for buying stock on a regular basis. Are you now in a plan like this, either where you work, through a broker, fund, investment club or other source which permits you to add to your present shares in a systematic way?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 25(b) – 25(e), OTHERWISE GO TO QUESTION 27.

(b) Which type of investor is this?

(c) How regularly do you ordinarily set aside money under this plan for buying stock – that is, weekly, monthly, quarterly, etc.?

(d) What amount do you usually set aside?

\$ _____

(e) Have you been contributing to this plan throughout the past five years – that is, since JUNE 1957?

YES ☐ NO ☐

IF "NO", ASK QUESTIONS 26(f) AND 26(g), OTHERWISE GO TO QUESTION 27.

(f) When did you start?

YEAR _____ MONTH _____

(g) What were your reasons for choosing this particular time to start investing in this way?

27.(a) Do you intend to purchase more stocks in the future?

YES ☐ NO ☐

(b) Why? (PROBE)

28.(a) Have you been a net seller or a net buyer of stock from JANUARY 1962 – JUNE 30, 1962?

NET SELLER ☐ NET BUYER ☐ NEITHER ☐

(b) Why did you decide to conduct your stock investment programme in this way in this period? (PROBE)

29.(a) And in 1961 were you a net seller or a net buyer?

NET SELLER ☐ NET BUYER ☐ NEITHER ☐

(b) What were your reasons for conducting your stock programme in this way during 1961? (PROBE)

30.(a) Were you a net seller in 1960 or were you a net buyer?

NET SELLER ☐ NET BUYER ☐ NEITHER ☐

(b) And why did you decide to conduct your stock programme in this way in this period? (PROBE)

31. Could you please give us an estimate of the market value of your holdings of publicly traded stock at the following dates:

DECEMBER 31, 1961 \$ _____ DECEMBER 31, 1960 \$ _____

ASK QUESTION 32 OF RESPONDENTS WHO ANSWERED "NO" TO QUESTION 23.

32.(a) Since 1957, have you "seriously considered", to the point of discussing a purchase with a seller or dealer, buying stock, and decided to postpone purchase?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 32(b), (c) AND (d) AND RECORD ANSWERS IN APPROPRIATE COLUMNS BELOW. IF "NO" ASK QUESTION 32(e).

(b) What stock was this?

(c) When was this decision made?

(d) Why did you make this decision to postpone purchase? (PROBE)

Q. 32(b)	Q. 32(c)		Q. 32(d)
<u>STOCK</u>	<u>WHEN</u>		<u>REASONS FOR POSTPONING PURCHASE</u>
	<u>YEAR</u>	<u>MONTH</u>	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

32.(e) Why have you never considered buying stock?

LIFE INSURANCE

ASK THE FOLLOWING QUESTIONS AND FOR EACH POLICY RECORD THE ANSWERS IN THE APPROPRIATE COLUMNS ON THE CHART BELOW

33.(a) Who in the family is carrying life insurance bought through an insurance company (excluding insurance plans with employer)?

(b) Which type of policy is this – that is, is it term, group, ordinary or straight life, or endowment? If it is any other, could you specify?

(c) What is its approximate face value?

(d) What is its gross premium?

(e) When was the date of purchase?

<u>Q. 33(a)</u> PERSON INSURED	<u>Q. 33(b)</u> TYPE OF POLICIES	<u>Q. 33(c)</u> APPROXIMATE FACE VALUE	<u>Q. 33(d)</u> GROSS PREMIUM	<u>Q. 33(e)</u> PURCHASE DATE YEAR MONTH	
HEAD OF HOUSEHOLD <input type="checkbox"/>	_____	\$ _____	\$ _____	_____	_____
	_____	\$ _____	\$ _____	_____	_____
WIFE <input type="checkbox"/>	_____	\$ _____	\$ _____	_____	_____
	_____	\$ _____	\$ _____	_____	_____
OTHERS IN FAMILY <input type="checkbox"/>	_____	\$ _____	\$ _____	_____	_____
	_____	\$ _____	\$ _____	_____	_____

34.(a) Have you made any significant changes in your insurance programme during the last five years – that is, since JUNE 1957?

YES ☐ NO ☐

If "Yes", Ask:

(b) When did you make this significant change in your insurance programme?

YEAR _____ MONTH _____

(c) And could you tell me why you made this change at this particular time?

35. Could you give me an estimate of the total face value of your family's life insurance as of DECEMBER 31, 1961 and DECEMBER 31, 1960?

DECEMBER 31, 1961 \$ _____ DECEMBER 31, 1960 \$ _____

36.(a) Are you covered by any of these insurance plans? (READ LIST AND CHECK WHICH BELOW).

FOR EACH PLAN CHECKED, ASK QUESTION 36.(b)

(b) What is the approximate face value?

<u>Q. 36(a)</u> TYPE OF PLAN	<u>Q. 36(b)</u> FACE VALUE
THROUGH EMPLOYMENT <input type="checkbox"/>	\$ _____
TRADE UNION <input type="checkbox"/>	\$ _____
FRATERNAL BENEFIT SOCIETY <input type="checkbox"/>	\$ _____
OTHER (SPECIFY) <input type="checkbox"/>	\$ _____

ANNUITIES OR VOLUNTARY RETIREMENT PLAN

ASK THE FOLLOWING QUESTIONS AND FOR EACH ANNUITY OR VOLUNTARY RETIREMENT PLAN, RECORD ANSWER IN APPROPRIATE COLUMN IN CHART ON PAGE BELOW.

- 37.(a) Who in your family is paying into an annuity or voluntary retirement plan?
- (b) When was this purchased?
- (c) What were the reasons that prompted you to purchase this annuity or retirement plan when you did?
- (d) And do you hold a paid-up annuity?

If "Yes", Ask:

- (e) What is the income from this paid-up annuity?

SECTION VI	Q. 37(a)	Q. 37(b)	Q. 37(c)	Q. 37(d)	Q. 37(e)
PERSON PAYING INTO ANNUITY OR VOLUNTARY RETIREMENT PLAN	WHEN PURCHASED YEAR MONTH	REASONS FOR PURCHASING AT THIS PARTICULAR TIME	HOLD PAID- UP ANNUITY YES NO	INCOME FROM PAID-UP ANNUITY	
HEAD OF HOUSEHOLD	<input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	\$
WIFE	<input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	\$
OTHERS IN FAMILY	<input type="checkbox"/>		<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	\$

PENSION PLAN PURCHASED THROUGH EMPLOYMENT

**ASK QUESTIONS 38(a) – 38(f) AND RECORD ANSWERS FOR EACH PLAN
IN APPROPRIATE COLUMNS IN CHART BELOW.**

38.(a) Who in your family contributes to a pension plan through employment?

(b) When did you join this pension plan?

(c) Would you have the right to withdraw any money out of the plan if you were to leave your job now?

If "Yes", Ask:

(d) Would the amount you withdraw be as much as your own contribution, or would it be more, or less? And what amount would this be that you could withdraw now?

(e) Are you receiving income from such a plan now?

If "Yes", Ask:

(f) What is the amount of this income?

39. Do you have any other special arrangement with your employer, such as any of the following:

PROFIT SHARING PLANS ☐

DEFERRED INCOME PAYMENTS ☐

OTHER PLAN (SPECIFY) ☐

SECTION VI

PENSION PLANS

Q. 38(a)	Q. 38(b)	Q. 38(c)	IF I COULD WITHDRAW RIGHT NOW			Q. 38(e)	Q. 38(f)	
FAMILY MEMBER WHO CONTRIBUTES TO PENSION PLAN	WHEN JOINED PLAN YEAR MONTH	RIGHT TO WITHDRAW ANY MONEY IF LEAVE JOB NOW YES NO	COULD WITHDRAW NOW:		MORE THAN CONTRIBUTED	AMOUNT COULD WITHDRAW NOW	RECEIVING INCOME FROM PENSION PLAN YES NO	AMOUNT OF INCOME RE- CEIVING NOW
			LESS THAN CONTRIBUTED	SAME AS CONTRIBUTED				
HEAD OF HOUSEHOLD ()		() ()	()	()	()	\$	() ()	\$
WIFE ()		() ()	()	()	()	\$	() ()	\$
OTHER FAMILY MEMBER		() ()	()	()	()	\$	() ()	\$

TRUST OR ESTATES

40.(a) Does anyone in the immediate family have an interest in a trust?

YES ☐ NO ☐

IF "NO", GO TO SECTION VII, OTHERWISE ASK QUESTIONS 40(b) ETC.

(b) Was this a trust arrangement set up by you, or were you a beneficiary?

SET UP FOR OURSELVES ☐ BENEFICIARY ☐

41.(a) Is the trust managed by a trust company?

YES ☐ NO ☐

If "Yes", Ask:

(b) Does the trust company have: (READ LIST AND CHECK CORRECT ANSWER)

SOLE RESPONSIBILITY FOR MAKING INVESTMENT DECISIONS ☐

OR SHARE RESPONSIBILITY FOR INVESTMENT DECISION WITH

YOU OR OTHER PARTIES TO THE TRUST AGREEMENT ☐

OR NO RESPONSIBILITY FOR MAKING INVESTMENT DECISIONS ☐

42.(a) In the instrument creating the trust – that is, the trust deed, – are there restrictions placed upon the types of investments the trustees may make?

YES ☐ NO ☐

If "Yes", Ask:

(b) What restrictions are these?

43. Some people receive a certain amount of income from a trust each year, but do not have any right to the value of the trust itself. Other people may not receive income but are entitled at some time to a share of the assets held by the trust. Then there are others with a right to both income and assets. Into which of these categories do your trust arrangements fall:

INCOME ONLY ☐

ASSETS ONLY ☐

INCOME AND ASSETS ☐

OTHER (SPECIFY) ☐

IF "INCOME ONLY", GO TO SECTION VII, OTHERWISE ASK QUESTIONS 44(a) – 44(e) AND FOR EACH TRUST INTEREST RECORD ANSWERS IN CHART BELOW.

44.(a) Who in the family has the interest in this trust?

(b) What do you estimate the face value of this interest to be?

(c) When did this trust arrangement begin?

(d) How are the assets of the trust invested? Are they in Government Bonds, other bonds, publicly traded stock, shares in private company, real estate, mortgages or any investments?

(e) Approximately what proportion of the total assets of the trust does each investment account for?

TRUST ASSETS

Q. 44(a) WHO IN FAMILY HAS INTEREST IN TRUST	Q. 44(b) FACE VALUE OF INTEREST IN TRUSTS	Q. 44(c) WHEN TRUST ARRANGE- MENT BEGAN YEAR MONTH	Q. 44(d) HOW ASSETS OF TRUST INVESTED	Q. 44(e) PROPORTION OF TOTAL ASSETS INVESTED IN 100%
HEAD OF HOUSEHOLD <input type="checkbox"/>	\$ _____	_____	_____	_____ %
	_____	_____	_____	_____ %
			_____	_____ %
WIFE <input type="checkbox"/>	\$ _____	_____	_____	_____ %
			_____	_____ %
			_____	_____ %
			_____	_____ %
OTHERS IN FAMILY <input type="checkbox"/>	\$ _____	_____	_____	_____ %
			_____	_____ %
			_____	_____ %
			_____	_____ %

ROYAL COMMISSION STUDY

SECTION VII

GENERAL

1. The people we have talked to have given us many different reasons for saving or for trying to save. Could you tell us about your own reasons for saving? That is, what are the sort of things you would have in mind to accomplish some day, through saving? (PROBE)
- 2.(a) (HAND RESPONDENT CARD) I am going to read you a list of features which people look for in investments. As I read each feature would you tell me which one of the statements on the card best suits your feelings about that feature?

CHECK IN APPROPRIATE COLUMN ON NEXT PAGE. THEN FOR EACH FEATURE RESPONDENT CONSIDERS IMPORTANT OR VERY IMPORTANT, ASK QUESTION 2(b).

- (b) You mention that _____ (FEATURE) is important in your investment decisions. Which type of investments would you say best meet this requirement?

ASK QUESTION 2(c) FOR EACH FEATURE IN WHICH "COMMON STOCK" MENTIONED.

(c) Can you give me an example of a particular issue of common stock that you feel meets this requirement?

FEATURE OF INVESTMENT	NO IMPOR- TANCE	Q. 2(a)			IF "VERY IMPORTANT" OR "IMPORTANT" IN Q. 2(a)	IF STOCK MENTIONED IN Q. 2(b)
		LITTLE IMPOR- TANCE	IMPOR- TANT	VERY IMPOR- TANT	Q. 2(b)	Q. 2(c)
					TYPES OF INVESTMENTS	TYPE OF STOCK
Safety of Principal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Maximum Current Return	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Safe, Assured Return	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Capital Gains	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Ready Availability or Marketability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Hedge against Inflation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Familiarity with Company operation and personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Some degree of policy control on investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Tax Treatment of Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
Anything else (specify)						
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____

3.(a) We have discussed your holdings of financial assets and real estate in considerable detail, in this questionnaire. Thinking of your assets now in the following broad groupings (HAND RESPONDENT CARD), have there been times in the period since the beginning of 1957 when you have decided to make major changes in the composition of your assets?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 3(b), (c) AND (d) AND RECORD ANSWERS IN APPROPRIATE COLUMNS BELOW. IF "NO", GO TO QUESTION 4.

(b) When were these major shifts made?

(c) What was the character of each of these shifts?

(d) And could you tell me why you made each of these changes in the composition of your assets?

Q. 3(b) WHEN		Q. 3(c)	Q. 3(d)
YEAR	MONTH	CHARACTER	REASONS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4.(a) Now about the future, are you contemplating making any such major shifts in the composition of your assets, in the balance of this year or next year?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 4(b), (c) AND (d) AND RECORD ANSWERS IN APPROPRIATE COLUMNS BELOW. IF "NO", GO TO QUESTION 5.

(b) When do you think you may make such shifts?

(c) What is the character of the shifts you are contemplating?

(d) Why are you contemplating these shifts?

Q. 4(b) WHEN		Q. 4(c)	Q. 4(d)
YEAR	MONTH	CHARACTER	REASONS
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5.(a) Thinking now of your financial assets as domestic assets and foreign assets, have there been times in the period since the beginning of 1957 when you have decided to make a major change in the proportion of foreign assets to domestic assets in your portfolio?

YES ☐ NO ☐ NO FOREIGN ASSETS ☐

IF "YES", ASK QUESTIONS 5(b), (c) AND (d) AND RECORD ANSWERS IN APPROPRIATE COLUMNS BELOW. IF "NO", GO TO QUESTION 6. IF "NO FOREIGN ASSETS", GO TO QUESTION 7.

- (b) When were these major shifts made?
 (c) And what was the character of each of these shifts?
 (d) Why was each of these shifts made?

<u>Q. 5(b)</u> <u>WHEN</u>		<u>Q. 5(c)</u>	<u>Q. 5(d)</u>
<u>YEAR</u>	<u>MONTH</u>	<u>CHARACTER</u>	<u>REASONS</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

- 6.(a) Now do you contemplate making any such major shifts in the composition of your financial assets, in the balance of this year or next year?

YES ☐ NO ☐

IF "YES", ASK QUESTIONS 6(b), (c) AND (d) AND RECORD ANSWERS IN APPROPRIATE COLUMN BELOW. IF "NO" GO TO QUESTION 7.

- (b) When do you think you may make such shifts?
 (c) What is the character of the shifts you are contemplating?
 (d) Why are you contemplating these shifts?

<u>Q. 6(b)</u> <u>WHEN</u>		<u>Q. 6(c)</u>	<u>Q. 6(d)</u>
<u>YEAR</u>	<u>MONTH</u>	<u>CHARACTER</u>	<u>REASON</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

7. We have asked you whether tax treatment of investment incomes has been an important factor in your investment decisions. We would like now to ask you whether there are any other features of the law, respecting income tax, inheritance tax or gift tax, that have influenced your decisions as to the types of assets you should acquire, or as to the arrangements you have made for holding these assets? (PROBE)

APPENDIX B

**BALANCE SHEET, INCOME AND
OPERATING DATA FOR
SELECTED CANADIAN FIRMS**

from the study "CORPORATE FINANCE"

by G.D. Sutton

APPENDIX B

TABLE I
SELECTED BALANCE SHEET DATA
69 Large Firms *
1946 - 1960
(Millions of dollars)

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Assets															
Cash	274	350	336	345	409	381	332	340	391	421	474	408	415	434	389
Marketable Investments	417	383	459	473	655	677	526	532	558	792	753	568	613	792	677
A/c Receivable	290	400	461	472	614	681	725	752	808	987	1,176	1,192	1,262	1,459	1,514
Inventory	598	934	1,166	1,162	1,265	1,537	1,687	1,720	1,698	1,825	2,147	2,248	2,300	2,430	2,516
Pre-paid Expenses	17	27	38	38	43	56	65	65	79	73	105	96	106	119	128
Refundable Taxes	40	42	36	26	15	3	—	2	3	2	3	1	—	—	3
Total Current	1,635	2,136	2,496	2,516	2,998	3,334	3,335	3,411	3,537	4,101	4,657	4,524	4,696	5,234	5,228
Investment in Subsidiaries	515	519	488	513	511	526	534	621	645	693	691	621	720	736	792
Gross Fixed	3,988	4,357	4,808	5,160	5,620	6,272	7,001	7,780	8,461	9,218	10,716	12,190	13,126	14,244	15,266
Depreciation & depletion a/c	1,665	1,802	2,035	2,177	2,403	2,590	2,810	3,139	3,367	3,687	4,279	4,650	5,039	5,597	6,033
Net Fixed	2,324	2,554	2,773	2,983	3,217	3,683	4,191	4,641	5,093	5,531	6,436	7,539	8,087	8,647	9,238
Other Assets	7	10	12	17	18	18	20	24	19	17	35	43	44	50	48
Total tangible assets	4,481	5,220	5,769	6,029	6,744	7,561	8,080	8,697	9,294	10,342	11,819	12,727	13,546	14,668	15,305
Intangibles	74	77	77	76	73	72	78	82	89	82	86	94	92	91	80
Total Assets	4,555	5,296	5,847	6,106	6,817	7,633	8,158	8,779	9,382	10,424	11,905	12,820	13,639	14,759	15,386
Liabilities															
Notes Payable	—	1	6	1	5	9	3	5	8	2	6	9	12	13	52
Bank Loans	19	31	25	41	71	78	97	149	94	103	181	229	192	277	256
A/c Payable	239	305	356	321	390	487	520	518	536	649	837	770	806	926	942
Taxes Due	129	199	227	211	280	402	371	301	296	383	407	335	333	456	427
Other Current	64	91	108	97	144	147	146	147	150	175	200	187	189	190	202
Total Current Liabilities	451	627	723	671	889	1,124	1,137	1,120	1,085	1,311	1,632	1,531	1,533	1,862	1,879
Net Tangible Assets	4,030	4,593	5,047	5,358	5,855	6,438	6,943	7,577	8,209	9,031	10,188	11,195	12,013	12,806	13,428
Debt	1,047	1,221	1,397	1,427	1,533	1,672	1,902	2,011	2,205	2,272	2,483	2,782	3,074	3,199	3,278
Mortgage Bonds	578	579	692	1,019	1,024	1,066	1,061	1,092	1,196	1,190	1,226	1,350	1,428	1,504	1,610
Debentures	363	491	505	263	337	347	501	558	662	770	850	970	1,186	1,165	1,098
Notes	107	151	201	146	147	156	184	223	215	207	262	315	337	387	416
Convertible	—	—	—	—	24	102	156	138	132	105	144	147	123	142	154
Minority Interest	2	2	3	3	3	3	3	6	6	46	73	114	136	141	148
Preferred	381	427	445	455	440	436	435	438	435	523	540	543	564	577	580
Straight	337	377	392	402	410	410	408	421	418	462	471	462	471	472	485
Convertible	16	25	28	27	4	1	1	—	—	45	50	49	58	51	63
Participating	28	25	25	25	25	25	25	16	16	16	18	32	35	42	44
Capital Surplus	271	284	335	351	385	400	409	458	455	482	495	560	577	612	697
Common	1,215	1,270	1,290	1,327	1,400	1,560	1,636	1,774	1,845	2,029	2,322	2,470	2,600	2,898	2,985
Earned Surplus	1,188	1,465	1,653	1,872	2,169	2,438	2,636	2,973	3,351	3,761	4,361	4,819	5,155	5,469	5,819
Total Capital	4,104	4,670	5,124	5,435	5,928	6,510	7,021	7,659	8,297	9,113	10,274	11,289	12,105	12,896	13,507
Total Liabilities and Capital	4,555	5,296	5,847	6,106	6,817	7,633	8,158	8,779	9,382	10,424	11,905	12,820	13,639	14,759	15,386

(a) See footnote (a), Table II.

APPENDIX B

TABLE II

SELECTED INCOME AND OPERATING DATA

69 Large Firms^(a)

1946 - 1960

(Millions of dollars)

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Operating Income.....	530	757	886	879	1,107	1,345	1,288	1,304	1,304	1,583	1,801	1,737	1,624	1,981	
Other.....	46	51	63	58	59	64	60	65	76	85	97	108	87	103	
Total.....	576	808	949	937	1,166	1,408	1,347	1,369	1,380	1,668	1,897	1,845	1,710	2,084	2,198
Debt Interest.....	39	37	42	47	46	49	57	58	75	80	87	104	121	136	139
Depreciation, etc.....	112	134	156	184	207	247	296	334	339	363	437	490	522	587	619
Profit before Tax.....	425	637	751	705	913	1,113	995	977	966	1,224	1,373	1,251	1,068	1,361	1,441
Income Tax.....	177	259	259	253	353	536	489	468	390	484	541	462	411	541	565
Minority Interest.....	1	—	—	—	1	—	—	—	—	2	5	10	10	9	9
Preferred Dividends.....	20	21	24	24	26	24	23	24	22	23	25	24	22	26	28
Net for Common.....	227	358	469	428	533	552	483	485	554	715	802	755	626	784	839
Dividends on Common.....	136	170	193	211	253	287	291	290	309	360	397	416	388	413	441
Retained Earnings.....	92	188	276	217	280	265	192	196	245	356	405	339	237	371	398
Cash Flow Retained (b).....	204	322	432	402	487	512	488	530	585	719	842	829	759	958	1,017
Fixed Charges (c).....	78	78	89	95	99	96	103	106	119	127	137	152	164	189	195
Total Income as multiple of:															
Debt Interest.....	14.9	21.8	22.7	20.0	25.2	28.9	23.7	23.6	18.4	20.8	21.8	17.4	14.2	15.3	15.8
Fixed Charges.....	7.4	10.3	10.6	9.9	11.8	14.6	13.1	13.0	11.6	13.1	13.8	11.9	10.4	11.0	11.3
Tangible Assets.....	.13	.15	.16	.16	.17	.19	.17	.16	.15	.16	.16	.14	.13	.14	.14
Net Tangible Assets as multiple of Debt.....	3.8	3.8	3.6	3.8	3.8	3.9	3.7	3.8	3.7	4.0	4.1	4.0	3.9	4.0	4.1
Working Capital.....	1,184	1,509	1,774	1,845	2,109	2,211	2,198	2,290	2,452	2,790	3,026	2,993	3,163	3,372	3,349
Working Ratio.....	3.6	3.4	3.5	3.8	3.4	3.0	2.9	3.0	3.3	3.1	2.9	3.0	3.1	2.8	2.8
Working Capital to Debt.....	1.1	1.2	1.3	1.3	1.4	1.3	1.2	1.1	1.1	1.2	1.2	1.1	1.0	1.1	1.0
Liquid Assets Ratio (d).....	1.53	1.17	1.10	1.22	1.20	.94	.75	.78	.87	.93	.75	.64	.67	.66	.57
CAPITALIZATION %															
Debt.....	25.5	26.2	27.3	26.3	25.9	25.7	27.2	26.3	26.6	24.9	24.2	24.6	25.4	24.8	24.3
Minority Interest.....	0.04	0.04	0.06	0.06	0.05	0.05	0.05	0.1	0.1	0.5	0.6	1.0	1.0	1.1	1.1
Preferred.....	9.3	9.1	8.7	8.4	7.4	6.7	6.2	5.7	5.2	5.7	5.3	4.8	4.7	4.5	4.3
Capital Surplus.....	6.6	6.1	6.5	6.5	6.5	6.1	5.8	6.0	5.5	5.3	4.8	5.0	4.8	4.7	5.2
Common.....	29.6	27.2	25.2	24.4	23.6	24.0	23.3	23.1	22.2	22.3	22.6	21.9	21.5	22.5	22.1
Earned Surplus.....	29.0	31.4	32.3	34.4	36.6	37.5	37.5	38.8	40.4	41.3	42.5	42.7	42.6	42.4	43.1
TAX as % of Profit.....	41.7	40.6	34.4	35.8	38.6	48.2	49.1	47.8	40.3	39.5	39.4	36.7	38.5	39.8	39.2
Return on Equity %.....	8.08	10.98	13.23	11.30	12.76	11.92	10.11	9.03	9.47	10.88	10.71	9.28	7.28	8.49	8.57
Return on common equity %.....	8.50	11.85	14.29	12.05	13.49	12.55	10.31	9.33	9.80	11.40	11.16	9.61	7.51	8.73	8.82

(a) 69 publicly-owned large companies (12 utilities, 8 mining companies, 6 oil companies, 5 retailers, and 38 manufacturers) having assets equal to 40% of the industry totals. For further details, see Chapter IV of G.D. Sutton's study, "Corporate Finance", mimeograph, Queen's Printer, 1964.

(b) Retained earnings, depreciation and other non-cash charges to income.

(c) Debt interest plus twice preferred dividends.

(d) Cash and marketable investments as a multiple of current liabilities.

APPENDIX B

TABLE III
SELECTED BALANCE SHEET DATA
37 Smaller Firms^(a)
1946 - 1960
(Thousands of dollars)

Assets	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Cash	4,722	6,371	6,165	6,678	6,552	6,741	6,373	7,516	7,590	8,628	6,627	5,708	7,657	8,987	9,408
Marketable Investments	9,618	4,936	5,161	5,171	4,944	4,753	5,936	5,946	8,778	8,297	9,511	9,562	9,204	12,166	11,671
A/c Receivable	9,684	12,057	14,536	15,592	18,160	20,718	23,850	24,210	24,842	27,261	30,942	29,539	31,884	34,741	36,496
Inventory	25,497	29,977	32,313	30,944	35,929	42,100	42,343	42,343	42,566	46,949	49,291	51,090	50,770	53,940	57,157
Prepaid Expenses	1,098	1,143	1,319	1,211	1,392	1,502	1,512	1,679	1,727	1,812	2,122	2,279	2,314	2,556	2,837
Refundable Taxes	3,534	3,833	3,110	1,729	894	134	26	365	117	7	73	5	157	141	50
Total Current	51,453	58,317	62,504	61,325	67,871	75,948	79,938	82,059	85,570	92,954	98,576	98,183	101,986	112,531	117,619
Investment in Subsidiaries	5,230	1,743	1,699	2,436	3,286	2,888	2,556	2,970	2,975	2,836	3,042	3,242	3,224	3,255	3,344
Gross Fixed	56,628	62,937	69,141	74,580	81,384	90,717	95,841	102,935	110,178	118,380	124,126	129,439	135,183	144,803	154,477
Less Depreciation, etc.	29,103	32,210	35,065	39,337	42,642	47,365	51,494	55,186	58,475	64,414	67,556	70,042	75,492	82,102	86,357
Net Fixed	26,925	30,727	34,076	35,243	38,742	43,352	44,347	47,749	51,703	53,966	56,570	59,397	59,691	62,701	68,120
Other Assets	534	560	862	942	813	454	498	449	466	1,181	525	561	871	657	550
Tangible Assets	84,142	91,347	99,141	99,946	110,712	122,642	127,339	133,227	140,714	150,937	158,713	161,383	165,772	179,145	189,633
Intangibles	3,317	7,332	7,374	7,361	7,148	7,173	7,177	7,349	6,491	5,970	5,932	5,788	5,842	2,461	1,384
Total Assets	87,459	98,689	106,515	107,307	117,860	129,815	134,516	140,576	147,205	156,907	164,645	167,171	171,814	181,608	191,017
Liabilities															
Notes Payable	131	40	75	59	221	390	163	156	160	185	147	192	177	31	167
Bank Loans	4,511	4,226	3,653	2,237	4,625	9,551	8,613	11,921	10,572	9,592	9,336	9,841	8,319	10,458	11,191
A/c Payable	10,168	11,272	12,109	9,980	12,570	13,206	14,954	13,805	14,109	17,402	19,077	19,009	18,865	22,022	24,703
Taxes Due	3,962	4,192	4,640	4,589	4,892	5,376	5,651	4,556	4,932	4,573	4,890	4,347	5,645	6,609	5,806
Other Current	809	1,420	1,744	1,199	1,189	1,236	1,449	2,194	2,209	2,661	2,828	2,268	2,532	2,739	2,649
Total Current Liabilities	19,581	21,150	22,221	18,064	23,497	29,759	30,830	32,632	30,980	34,413	36,278	35,657	35,538	41,859	44,516
Net Tangible Assets	64,561	70,197	76,920	81,882	87,215	92,883	96,509	100,595	109,735	116,524	122,435	125,726	130,234	137,286	145,117
Debt	6,264	10,096	10,088	9,730	12,802	13,263	13,359	12,524	16,705	16,011	17,848	17,252	17,338	18,362	21,112
Mortgage Bond	3,851	6,179	6,436	6,624	10,383	10,212	9,648	9,691	9,966	8,999	9,003	8,447	7,655	6,915	8,504
Debentures	1,000	900	900	700	500	300	300	300	3,700	3,233	5,733	6,662	7,920	8,609	9,197
Notes	1,413	3,017	2,752	2,406	1,919	2,151	1,811	1,363	2,357	3,221	3,112	2,143	1,763	2,838	3,411
Convertible Debt	-	-	-	-	-	600	1,600	1,170	682	558	-	-	-	-	-
Minority Interest	109	386	417	507	545	602	563	470	421	367	352	337	325	844	866
Preferred	14,557	14,538	14,758	14,070	14,222	14,075	14,214	15,177	14,680	15,186	14,093	13,676	13,211	12,232	12,069
Straight	7,450	7,443	7,304	6,618	6,541	6,398	5,683	6,551	7,004	7,560	6,097	5,680	5,225	4,187	3,923
Convertible	-	-	-	-	-	-	855	850	-	-	-	-	-	-	1,000
Participating	7,207	7,195	7,454	7,452	7,681	7,677	7,676	7,776	7,676	7,626	7,996	7,996	7,986	8,045	7,146
Capital Surplus	3,966	4,285	4,264	4,788	4,012	3,945	3,958	3,894	4,145	4,172	4,467	4,483	4,857	4,832	4,878
Common	20,128	20,999	21,963	22,081	21,972	23,478	23,558	23,955	27,547	25,636	25,529	26,172	26,056	24,874	25,017
Earned Surplus	22,754	27,195	32,804	38,066	40,814	44,688	48,029	51,924	52,728	61,001	66,076	69,594	74,285	78,604	82,562
Total Capital	67,878	77,519	84,294	89,242	94,367	100,051	103,681	107,944	116,226	122,473	128,365	131,514	136,072	139,748	146,504
Total Liabilities and Capital	87,459	98,689	106,515	107,306	117,864	129,810	134,511	140,576	147,206	156,886	164,643	167,171	171,810	181,607	191,020

a) See footnote (a), Table IV.

APPENDIX B

TABLE IV
SELECTED INCOME AND OPERATING DATA
37 Smaller Firms@
1946 - 1960
(Thousands of Dollars)

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Operating Income.....	14,251	16,110	18,249	20,233	20,138	20,522	20,688	20,752	18,968	21,279	22,054	22,621	23,111	26,398	24,863
Other Income.....	410	410	271	294	410	386	434	459	465	509	613	532	523	617	853
Total Income.....	14,661	16,520	18,520	20,527	20,546	20,908	21,122	21,211	19,433	21,788	22,667	23,153	23,634	27,015	25,716
Debt Interest.....	253	284	354	308	393	445	477	496	539	679	630	798	779	894	1,001
Depreciation & other non-cash charges.....	2,370	2,788	3,598	4,948	4,401	5,627	5,280	5,892	5,142	5,726	6,086	6,310	6,310	6,183	6,513
Profit before Tax.....	12,038	13,448	14,568	15,271	15,752	14,876	15,365	14,823	13,752	15,383	15,951	16,291	16,545	19,938	18,202
Income Tax.....	5,408	5,811	5,648	5,802	6,517	7,950	7,738	6,929	5,996	6,463	7,068	6,980	7,727	9,487	8,459
Minority Interest.....	40	70	60	120	107	61	12	22	19	9	10	—	—	70	73
Preferred dividend.....	863	966	959	931	873	870	947	964	956	941	1,049	1,068	1,068	1,001	1,033
Net for Common.....	5,727	6,601	7,901	8,418	8,255	5,995	6,668	6,908	6,781	7,970	7,814	8,307	7,750	9,380	8,637
Common dividend.....	1,753	1,233	1,078	1,370	3,607	1,783	1,990	2,091	1,674	1,996	2,152	2,203	2,369	2,747	1,892
Retained earnings.....	3,974	5,368	6,823	7,048	4,648	4,212	4,678	4,817	5,107	5,974	5,662	6,104	5,381	6,633	6,745
Cash Flow Retained (b).....	6,344	8,156	10,421	11,996	9,049	9,839	9,958	10,709	10,249	11,700	11,748	12,168	11,691	12,816	13,258
Fixed Charges (c).....	1,979	2,216	2,272	2,170	2,139	2,185	2,371	2,424	2,451	2,561	2,728	2,806	2,915	2,896	3,067
Total Income as multiple of:															
Debt Interest.....	57.9	58.2	52.3	66.6	52.3	47.0	44.3	42.8	36.1	32.1	36.0	29.0	30.3	30.2	25.7
Fixed Charges.....	7.4	7.5	8.2	9.5	9.6	9.6	8.9	8.7	7.9	8.5	8.3	8.3	8.1	9.3	8.4
Tangible Assets.....	.17	.18	.19	.20	.19	.17	.17	.16	.14	.14	.14	.14	.14	.15	.14
Net Tangible Assets per 1,000 debt.....	10.3	7.0	7.6	8.4	6.8	7.0	7.2	8.0	6.6	7.3	6.9	7.3	7.5	7.5	6.9
Working Capital.....	31,872	37,167	40,283	43,261	44,374	46,189	49,108	49,427	54,590	58,514	62,298	62,526	66,448	70,672	73,103
Working capital ratio.....	2.6	2.8	2.8	3.4	2.9	2.6	2.6	2.5	2.8	2.7	2.7	2.8	2.9	2.7	2.6
Working capital to debt.....	5.1	3.7	4.0	4.4	3.5	3.5	3.7	3.9	3.3	3.7	3.5	3.6	3.8	3.8	3.5
Liquid Asset Ratio (d).....	.6	.5	.5	.6	.5	.4	.4	.4	.5	.5	.4	.4	.5	.5	.5
CAPITALIZATION %															
Debt.....	9.2	13.0	12.0	10.8	13.6	13.3	12.9	11.6	14.3	13.2	13.8	13.1	12.8	13.1	14.4
Minority Interest.....	.2	.5	.5	.6	.6	.6	.5	.4	.4	.3	.3	.3	.2	.6	.6
Preferred.....	21.6	18.9	17.5	15.8	15.0	14.0	13.7	14.1	12.6	12.4	11.0	10.4	9.7	8.8	8.2
Capital Surplus.....	5.8	5.5	5.0	5.4	4.3	3.9	3.8	3.6	3.6	3.4	3.5	3.4	3.6	3.5	3.3
Common.....	29.7	27.0	26.1	24.7	23.3	23.5	22.8	22.2	23.7	20.9	19.9	19.9	19.1	17.8	17.1
Earned Surplus.....	33.5	35.1	38.9	42.7	43.2	44.7	46.3	48.1	45.4	49.8	51.5	52.9	54.6	56.2	56.4
TAX as % of Profit.....	44.9	43.6	38.8	38.0	41.4	53.4	50.4	46.7	43.6	42.0	44.3	42.8	46.7	47.6	46.5
Return on equity.....	10.76	11.32	11.88	11.84	11.32	7.98	8.44	8.27	7.79	8.38	8.04	8.12	7.43	8.61	7.77
Return on common.....	12.22	12.58	13.38	12.96	12.36	8.31	8.82	8.65	9.09	8.77	8.13	8.28	7.37	8.67	7.68

(a) Publicly-owned smaller firms, mainly in manufacturing (3 retailers and one utility are included). See Chapter V of "Corporate Finance" op.cit., for further details.

(b) Retained earnings plus depreciation and other non-cash charges.

(c) Debt interest plus twice preferred dividends.

(d) Cash and marketable investments to current liabilities.

APPENDIX C

SIZE CLASSIFICATION OF CHARTERED BANK LOANS

TABLE I
CHARTERED BANKS
Classification of Borrowers' Accounts by Amounts as at October 31st, 1959
(Outstanding Advances by size of Authorized Credit or Outstanding Amount, whichever is the larger)

	Under \$10,000		\$10,000 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$99,999		\$100,000 & over		Total	
	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding
1. Government and other Public Services (3) Religious, educational, health and welfare institutions	3,764	\$'000 8,430	765	10,035	420	11,265	283	13,762	406	119,471	5,638	\$'000 162,963
3. Personal (1) Individuals, for other than business purposes, on the security of marketable stocks & bonds	128,365	135,926	3,294	41,985	1,236	33,030	581	30,527	415	72,000	133,891	313,468
(2) Individuals, for other than business purposes, not elsewhere classified	922,318	707,104	4,363	46,810	883	22,568	289	14,131	111	15,128	927,964	805,741
4. Agricultural, Industrial & Commercial (1) Agricultural (a) Farmers, under Farm Improvement Loans Act	145,447	168,378									145,447	168,378
(b) Farmers, not elsewhere classified	138,734	142,742	4,366	51,905	861	22,616	219	11,321	96	14,851	144,276	243,435
(2) Industry (a) Chemical and rubber products	349	1,221	84	1,179	59	1,529	55	2,988	118	61,702	665	68,619
(b) Electrical apparatus and supplies	1,054	1,993	137	1,720	88	2,613	67	3,121	137	59,587	1,483	69,034
(c) Food, beverages and tobacco	4,908	7,653	486	6,083	268	6,832	206	10,338	405	175,249	6,273	206,155
(d) Forest products	6,407	12,462	719	8,826	465	11,750	327	15,733	494	120,844	8,412	169,615
(e) Furniture	793	1,999	151	1,798	100	2,794	70	3,500	77	13,075	1,191	23,166
(f) Iron and steel products	1,620	3,718	348	4,456	240	6,230	202	9,768	426	168,079	2,836	192,351
(g) Mining and mine products	612	2,053	173	2,344	122	3,339	92	5,063	201	100,116	1,200	112,915
(h) Petroleum and products	629	1,221	71	826	54	1,480	33	1,881	136	90,010	923	95,418
(i) Textiles, leather and clothing	2,126	5,957	556	7,672	510	12,855	429	20,074	613	139,704	4,234	186,262
(j) Transportation equipment	4,380	7,889	315	3,794	177	4,376	79	3,862	120	55,905	5,071	75,826
(k) Other products	2,211	4,551	444	5,536	259	6,437	178	7,637	245	52,330	3,337	76,491
(3) Public utilities, transportation and communication companies	7,278	11,035	408	5,191	190	5,031	145	7,535	261	134,796	8,282	163,588
(4) Construction contractors	17,106	34,672	2,296	28,460	1,182	29,293	770	34,647	943	217,296	22,297	344,368
(5) Installment and other finance companies	460	2,096	131	1,753	111	3,069	119	6,676	400	376,285	1,221	389,879
(6) Merchandisers	71,141	122,810	6,348	77,006	2,866	71,585	1,628	74,363	2,014	543,258	83,997	889,002
(7) Other business	63,287	110,367	5,300	65,795	2,240	59,594	1,244	64,608	1,162	285,748	73,233	586,112
Total	1,322,889	1,494,277	30,755	373,274	12,331	318,266	7,016	341,535	8,780	2,815,434	1,581,671	5,342,788

TABLE II
CHARTERED BANKS
Classification of Borrowers' Accounts by Amounts as at March 31st, 1960
(Outstanding Advances by size of Authorized Credit or Outstanding Amount, whichever is the larger)

	Under \$10,000		\$10,000 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$99,999		\$100,000 & over		Total	
	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding
1. Government and other Public Services												
(3) Religious, educational, health and welfare institutions.....	3,466	7,045	723	9,069	431	11,224	298	15,580	445	123,685	5,363	166,603
3. Personal												
(1) Individuals, for other than business purposes on the security of marketable stocks and bonds (omitting loans at the agreed rate against the security of Canada Savings Bonds)	105,343	117,599	3,047	38,096	1,123	30,632	536	27,892	387	70,076	*110,436	*284,295
(2) Individuals, for other than business purposes, not elsewhere classified	921,746	674,097	3,422	39,976	773	20,486	287	15,081	110	15,622	926,338	765,262
4. Agricultural, Industrial and Commercial												
(1) Agricultural												
(a) Farmers under Farm Imp. Loans Act	138,405	154,617									138,405	154,617
(b) Farmers not elsewhere classified ..	132,581	127,763	2,772	27,754	637	14,416	196	8,571	94	14,760	136,280	193,264
(2) Industry												
(a) Chemical and rubber goods	318	657	71	868	75	1,960	54	2,413	151	65,869	669	71,767
(b) Electrical apparatus and supplies ..	1,084	2,393	143	1,839	94	2,736	64	2,929	133	55,652	1,518	65,549
(c) Food, beverages and tobacco	5,118	7,376	510	6,263	283	6,830	199	9,593	412	139,947	6,522	170,009
(d) Forest Products	6,406	11,227	784	9,462	465	12,411	349	17,498	536	140,167	8,540	190,765
(e) Furniture	816	1,769	138	1,903	113	2,913	77	3,766	80	14,165	1,224	24,516
(f) Iron and steel products	1,704	3,968	362	4,753	239	6,396	196	9,773	476	202,072	2,977	226,962
(g) Mining and mine products	608	2,169	164	2,048	119	2,989	95	5,003	216	97,898	1,202	110,107
(h) Petroleum and products	595	1,163	63	837	51	1,443	40	2,162	146	89,068	895	94,673
(i) Textiles, leather and clothing	2,240	8,045	543	6,877	523	11,767	361	16,724	635	147,135	4,302	190,548
(j) Transportation equipment	4,360	7,364	330	4,266	173	4,548	79	3,718	109	56,222	5,051	76,118
(k) Other products	2,366	5,694	420	5,306	258	6,466	168	8,030	260	51,700	3,472	77,196
(3) Public utilities, transportation and communication companies	7,321	11,158	497	5,895	177	4,852	124	6,955	274	131,549	8,393	160,409
(4) Construction contractors	17,455	32,805	2,129	25,578	1,132	28,077	702	30,675	898	190,170	22,316	307,305
(5) Installment and other finance companies	349	2,221	119	1,704	103	2,961	118	6,157	385	390,511	1,074	403,554
(7) Merchandisers	71,998	122,828	6,242	75,641	2,831	70,696	1,567	75,001	2,022	490,356	84,660	834,522
(8) Other business	65,325	116,092	5,246	65,065	2,290	58,324	1,238	62,761	1,161	246,991	75,260	549,233
Total	1,489,604	1,418,060	27,725	333,200	11,890	302,127	6,748	330,282	8,680	2,733,615	1,544,897	5,117,274

* Total loans at the agreed rate against the security of Canada Savings Bonds omitted from category 3(1) Number: 131,444 Amount: \$127,054

TABLE III
CHARTERED BANKS
Classification of Borrowers' Accounts by Amounts as at September 30, 1960
(Outstanding Advances by size of Authorized Credit or Outstanding Amount, whichever is the larger)

	Under \$10,000		\$10,000 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$99,999		\$100,000 & over		Total	
	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding
1. Government and other Public Services												
(3) Religious, educational, health and welfare institutions	4,061	7,585	736	9,656	495	13,287	322	16,172	476	131,714	6,090	178,414
3. Personal												\$'000
(1) Individuals, for other than business purposes on the security of marketable stocks and bonds (omitting loans at the agreed rate against the security of Canada Savings Bonds)	107,641	124,192	2,986	37,540	1,135	30,209	559	28,546	368	63,901	* 112,689	* 284,388
(2) Individuals, for other than business purposes, not elsewhere classified	1,012,319	781,827	3,683	44,991	827	20,710	333	15,505	118	17,847	1,017,280	880,880
4. Agricultural, Industrial and Commercial												
(1) Agriculture												
(a) Farmers under Farm Imp. Loans Act	146,734	182,549									146,734	182,549
(b) Farmers not elsewhere classified	145,034	150,061	4,293	51,116	883	22,873	266	12,364	105	14,230	150,581	250,644
(2) Industry												
(a) Chemical and rubber goods	353	754	75	941	58	1,528	55	2,606	140	48,957	681	54,786
(b) Electrical apparatus and supplies ..	1,177	2,660	130	1,659	83	2,294	78	3,662	144	61,434	1,612	71,709
(c) Food, beverages and tobacco	5,067	7,345	514	6,529	267	6,217	206	9,564	439	146,020	6,493	175,675
(d) Forest products	6,415	12,551	770	9,439	483	12,616	335	16,123	542	132,381	8,545	183,110
(e) Furniture	803	2,341	157	1,892	118	2,996	76	3,820	97	15,618	1,251	26,667
(f) Iron and steel products	1,741	4,057	409	5,196	268	7,128	207	9,951	477	196,929	3,102	223,261
(g) Mining and mine products	680	1,495	193	2,425	135	3,662	119	5,503	226	78,480	1,353	91,565
(h) Petroleum and products	628	1,915	67	951	51	1,358	33	1,585	155	105,349	934	111,158
(i) Textiles, leather and clothing	2,306	7,955	554	7,553	483	12,362	369	17,474	678	156,227	4,390	201,571
(j) Transportation equipment	4,635	7,874	353	4,355	186	4,237	80	3,639	103	41,439	5,357	61,544
(k) Other products	2,268	6,112	395	5,013	234	6,098	146	7,004	279	61,169	3,322	85,396
(3) Public utilities, transportation and communication companies	7,758	10,955	538	5,972	221	5,853	137	7,442	281	122,872	8,935	153,094
(4) Construction contractors	18,973	37,709	2,366	29,115	1,224	30,715	728	31,508	1,012	210,403	24,303	339,450
(5) Lestament and other finance companies ..	331	752	118	1,608	117	2,881	117	5,571	387	308,182	1,070	318,994
(6) Merchandisers	72,616	127,025	6,464	76,360	2,792	71,084	1,679	76,704	2,121	526,512	85,672	879,685
(8) Other business	65,691	124,296	5,508	68,552	2,463	61,804	1,348	67,378	1,214	264,476	76,224	586,506
Total	1,607,231	1,602,010	30,309	372,883	12,523	319,912	7,193	342,121	9,362	2,704,140	1,668,618	5,341,046

* Total loans at the agreed rate against the security of Canada Savings Bonds omitted from category 3(1) Number: 83,940 Amount: \$22,064,000.

APPENDIX C

TABLE IV
CHARTERED BANKS

Classification of Borrowers' Accounts by Amounts as at September 30, 1961

(Outstanding Advances by size Authorized Credit or Outstanding Amount, whichever is the larger)

	Under \$10,000		\$10,000 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$99,999		\$100,000 & over		Total	
	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding
1. Government and other Public Services												
(3) Religious, educational, health and welfare institutions.....	4,472	8,705	779	10,245	550	15,147	347	18,018	551	139,874	6,699	191,989
3. Personal												
(1) Individuals, for other than business purposes												
(a) On the security of Canada Savings Bonds at the agreed rate for the issue	82,630	22,888									82,630	22,888
(b) On the security of marketable stocks and bonds.....	117,064	141,173	3,404	42,921	1,304	34,640	597	29,215	442	70,998	122,811	318,947
(2) Individuals, for other than business purposes												
(a) For Home Improvement, under the National Housing Act.....	65,443	64,322	28	317	4	92	1	52			65,443	64,322
(b) On the security of motor vehicles....	146,946	183,066	9	122							146,979	183,527
(c) On the security of other household property.....	43,063	34,668	130	1,488	10	205	5	243	1	128	43,072	34,790
(d) Repayable by instalments, not elsewhere classified.....	429,146	278,502									429,292	280,566
(e) Repayable otherwise, not elsewhere classified.....	480,369	381,380	4,275	51,488	982	24,659	344	16,327	163	20,545	486,133	494,399
4. Agricultural, Industrial and Commercial												
(1) Agricultural												
(a) Farmers, under Farm Improvement Loans Act.....	149,892	199,265					294	13,804	137	17,142	149,892	199,265
(b) Farmers, not elsewhere classified ..	149,757	162,569	4,804	56,696	1,040	26,156					156,032	276,367
(2) Industry												
(a) Chemical and rubber goods	320	772	108	1,308	79	1,863	55	2,593	150	44,990	712	51,526
(b) Electrical apparatus and supplies ..	1,090	2,649	143	1,917	82	2,353	5	150	150	61,341	1,540	72,037
(c) Food, beverages and tobacco	4,989	7,447	572	7,378	310	7,440	203	10,037	482	176,674	1,540	208,976
(d) Forest products	6,058	11,375	735	9,062	493	12,828	321	15,835	561	131,526	8,168	180,626
(e) Furniture.....	940	2,305	166	2,211	117	3,232	75	3,707	103	16,761	1,401	28,216
(f) Iron and steel products.....	1,794	4,497	396	5,152	274	6,945	216	10,240	494	167,573	3,174	194,407
(g) Mining and mine products.....	796	2,031	193	2,622	141	3,872	112	5,921	234	75,806	1,476	90,272
(h) Petroleum and products	671	1,490	94	1,191	56	1,369	41	2,162	169	93,812	1,031	100,024
(i) Textiles, leather and clothing.....	2,147	5,779	588	8,235	515	14,194	418	20,067	709	150,674	4,377	198,949
(j) Transportation equipment.....	3,123	6,506	244	3,145	131	3,165	60	4,030	107	75,659	3,665	92,505
(k) Other products	2,866	6,875	508	6,659	295	7,648	214	10,984	329	76,213	4,212	108,379
(3) Public utilities, transportation and communication companies												
(a) Other.....	150	243	7	53	7	210	1	96	10	5,451	175	6,053
(b) Other.....	7,440	12,376	490	6,334	226	5,726	124	6,894	282	127,314	8,562	159,644
(c) Construction contractors	20,120	41,945	2,542	30,921	1,276	32,119	755	35,409	1,076	205,382	2,579	345,776
(d) Installation and other finance companies	359	1,802	130	1,695	108	2,821	112	4,873	388	236,817	1,097	248,008
(e) Merchandisers	75,694	141,439	6,957	83,784	3,079	76,237	1,631	79,445	2,315	516,237	8,676	897,142
(f) Other business.....	77,925	153,687	6,825	84,864	2,901	75,875	1,571	77,176	1,696	390,105	90,918	781,707
Total	1,875,284	1,879,776	34,127	419,808	13,860	398,776	7,572	370,925	10,949	2,801,022	1,941,482	5,830,307

APPENDIX C

TABLE V
CHARTERED BANKS
Classification of Borrowers' Accounts by Amounts as at September 30, 1962
(Outstanding Advances by size Authorized Credit or Outstanding Amount, whichever is the larger)

	Under \$10,000		\$10,000 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$99,999		\$100,000 & over		Total	
	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	* Number of Accounts	Amount of Loans Outstanding	* Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding	Number of Accounts	Amount of Loans Outstanding
1. Government and other Public Services												
(3) Religious, educational, health and welfare institutions	4,528	10,945	892	11,831	21,028	16,351	31,023	23,965	631	158,353	7,172	221,445
3. Personal												
(1) Individuals, for other than business purposes												
(a) On the security of Canada Savings Bonds at the agreed rate for the issue	85,600	18,070	81	1,052	901	24	512	324	4	900	85,719	21,211
(b) On the security of marketable stocks and bonds	124,733	181,512	3,702	48,475	48,300	1,481	39,272	44,697	382	60,960	131,002	366,464
(2) Individuals, for other than business purposes												
(a) For Home Improvement, under the National Housing Act	63,181	69,988	25	263	149	4	149	—	1	111	63,211	70,511
(b) On the security of motor vehicles	188,595	234,353	29	183	—	—	—	—	—	—	188,624	234,536
(c) On the security of other household property	55,187	42,114	7	75	29	1	25	—	—	—	55,195	42,214
(d) Repayable by instalments, not elsewhere classified	498,977	341,450	142	1,642	601	20	467	392	112	20,217	499,261	364,168
(e) Repayable otherwise, not elsewhere classified	467,209	419,383	4,779	58,994	38,398	1,231	31,129	26,673	194	28,964	473,844	560,208
4. Agricultural, Industrial and Commercial												
(1) Agricultural												
(a) Farmers, under Farm Improvement Loans Act	151,513	223,124	—	—	—	—	—	—	—	—	151,513	223,124
(b) Farmers, not elsewhere classified	159,048	191,800	5,282	63,804	41,083	1,336	32,233	19,226	174	24,620	166,231	331,683
(2) Industry												
(a) Chemical and rubber goods	456	940	116	1,265	2,659	72	1,767	4,466	163	51,952	870	58,833
(b) Electrical apparatus and supplies	1,027	2,478	132	1,873	3,013	91	2,403	6,003	82	88,295	1,508	99,365
(c) Food, beverages and tobacco	4,832	9,346	572	7,477	11,446	351	8,884	15,327	224	220,806	6,534	257,865
(d) Forest products	5,777	11,585	799	10,103	15,939	482	12,659	21,811	552	161,253	7,910	212,495
(e) Furniture	942	2,926	163	2,126	3,764	110	2,832	6,629	97	22,168	1,420	34,887
(f) Iron and steel products	1,630	5,460	417	5,457	10,461	309	8,382	16,736	243	222,999	3,143	256,077
(g) Mining and mine products	741	2,366	208	2,756	4,972	149	4,196	8,516	287	119,831	1,514	136,158
(h) Petroleum and products	521	1,425	79	1,157	1,722	54	1,412	3,055	47	101,273	886	108,009
(i) Textiles, leather and clothing	1,919	10,116	591	8,259	16,588	544	12,683	25,701	462	192,427	4,293	243,006
(j) Transportation equipment	2,091	4,345	204	2,876	3,917	118	2,816	4,141	61	82,917	2,589	95,672
(k) Other products	2,841	9,051	656	8,845	11,901	360	9,517	16,876	249	85,813	4,482	126,638
(3) Public utilities, transportation and communication companies												
(a) Guaranteed by a province	145	233	17	125	212	7	81	379	3	26,975	183	27,609
(b) Other	6,795	13,823	570	7,143	8,236	238	6,643	10,242	11	171,945	8,084	207,596
(c) Construction contractors	18,717	44,093	2,680	34,594	46,583	1,411	36,641	40,429	333	232,708	24,837	388,439
(d) Instalment and other finance companies	251	493	148	3,594	5,683	111	2,867	4,108	1,177	257,394	1,033	268,022
(e) Merchandisers	70,886	153,669	7,806	99,320	113,475	3,471	90,532	120,813	415	684,316	86,745	1,095,536
(f) Other business	74,275	169,105	8,256	108,346	120,978	3,658	97,951	124,836	2,184	309,577	90,502	581,235
Total	1,992,417	2,174,659	38,357	480,027	529,717	16,312	422,757	573,643	12,141	3,496,574	2,068,105	7,033,026

* Number of Accounts in these two columns relate to the number of loans outstanding and not to the number of authorized credits.

APPENDIX D

**CREDIT UNIONS AND CAISSES POPULAIRES
BALANCE SHEETS**

from the study by
M. Gilles Mercure

APPENDIX D

CREDIT UNIONS AND CAISSES POPULAIRES

The following tables, which are taken from the study "Credit Unions and Caisses Populaires" prepared for the Commission by Mr. Gilles Mercure, provide more statistical information about this part of the financial system than has previously been available. The Department of Agriculture's annual publication "Credit Unions in Canada" brings together a good deal of data, including combined balance sheets of the local societies and summary statistics covering the central societies. The combined statements shown below differ somewhat from these because of minor differences in coverage and in the definitions used. In addition to these tables, consolidated balance sheets of the locals and centrals have been prepared for the credit unions (Table I) and the caisses populaires (Table V), and Tables IV and VIII present the monthly and quarterly data prepared for us by some credit union centrals and by the Fédération de Québec des Unions Régionales des Caisses Populaires Desjardins.

Credit Unions

Table I: Locals and central societies, Consolidated balance sheet.

Local Societies, Combined balance sheets.

II-A: Canada

II-B: Atlantic Provinces

II-C: Quebec

II-D: Ontario

II-E: Manitoba

II-F: Saskatchewan

II-G: Alberta

II-H: British Columbia

Central Societies, Combined balance sheets.

III-A: Canada

III-B: Ontario

III-C: Manitoba

III-D: Saskatchewan

III-E: Alberta

III-F: British Columbia

IV: Four central societies, main assets and liabilities, quarterly.

Caisses Populaires

V: Locals and central societies, Consolidated balance sheets.

VI: Local Societies, Combined balance sheets.

VII: Central Societies, Combined balance sheets.

VIII: Locals of the Fédération de Québec des Unions Régionales des Caisses Populaires Desjardins, Main assets and liabilities, monthly.

APPENDIX D

TABLE I

CREDIT UNION LOCALS AND CENTRAL SOCIETIES¹

Consolidated Statement of Assets and Liabilities

— \$ millions —

December 31st ²	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash.....	n.a	n.a	n.a	n.a	12.3	13.8	15.7	17.1	20.9	21.8	23.8	25.2
Investments												
Centrals	2.0	2.4	5.0	7.4	6.1	6.0	8.3	12.0	21.8	14.6	16.7	27.7
Credit Unions	n.a	n.a	n.a	n.a	13.0	14.6	18.1	20.7	26.3	32.2	38.5	49.1
Loans												
Centrals	2.6	3.3	3.6	3.4	4.9	4.7	4.9	8.0	7.4	9.4	12.1	15.8
Credit Unions	57.3	67.3	87.6	121.1	142.6	171.5	200.0	240.4	289.5	364.7	427.3	513.2
Fixed & other assets.....	n.a.	n.a	n.a	n.a	3.8	4.6	5.9	7.9	10.0	12.3	15.6	18.0
TOTAL	n.a	n.a	119.9	156.5	182.7	215.2	252.9	306.1	375.9	455.0	534.0	649.0
Liabilities												
Shares and Deposits												
Centrals	1.8	1.1	1.2	2.1	1.3	2.5	3.7	4.8	6.6	6.9	6.5	6.0
Credit Unions	66.5	82.3	106.8	138.6	163.3	195.1	227.7	270.2	333.2	400.6	477.4	578.6
Borrowings	n.a	n.a	4.3	5.6	5.4	1.3	1.2	5.6	5.6	9.3	4.3	7.6
Other liabilities	n.a	n.a	1.3	1.7	1.8	2.2	2.4	2.9	3.3	4.0	5.1	5.7
Reserves	n.a	n.a	3.5	4.4	5.5	6.9	8.8	11.1	13.6	16.8	20.5	27.5
Undivided earnings	n.a	n.a	2.8	4.1	5.3	7.1	8.9	11.7	13.3	17.4	20.3	23.5

¹ Consolidation of statements II-A and III-A, as follows:

"cash" is net of credit union's deposits in centrals. The amounts shown are mainly currency and deposits at chartered banks.

"credit union investments" is net of credit union shares in centrals; it comprises mainly securities held by locals and centrals.

"borrowings" are net of centrals' loans to credit unions.

"shares and deposits of centrals" and "loans of centrals" exclude those from (or to) credit unions.

² Except for Atlantic Provinces and Ontario: see provincial statements.

See also the footnotes to provincial tables for sources and detailed definitions.

APPENDIX D

TABLE II-A
CREDIT UNION LOCAL SOCIETIES¹
Combined Assets and Liabilities
— \$ millions —

December 31st ²	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash.....	n.a.	n.a.	n.a.	n.a.	17.2	20.6	23.4	28.2	35.7	34.2	43.2	53.8
Investments.....	n.a.	n.a.	n.a.	n.a.	18.2	21.5	27.0	30.0	39.7	48.4	57.1	72.8
Loans.....	46.9	55.2	72.8	101.0	118.8	142.8	165.9	202.9	243.3	305.7	354.7	429.7
Mortgages	11.0	12.1	14.8	20.2	23.8	28.8	34.1	37.5	46.2	59.1	72.4	83.5
Fixed assets.....	n.a.	n.a.	n.a.	n.a.	2.0	2.5	3.4	4.8	6.0	7.5	9.7	12.7
Other assets	n.a.	n.a.	n.a.	n.a.	1.6	2.0	2.2	2.7	3.3	3.9	4.4	4.2
TOTAL	74.5	90.3	117.9	154.9	181.6	218.2	256.0	306.0	374.3	458.8	542.0	656.8
Liabilities												
Shares	51.1	63.1	82.1	110.0	133.3	161.7	188.9	226.9	280.4	340.1	406.3	499.7
Deposits	15.3	19.3	24.6	28.6	30.0	33.4	38.8	43.3	52.8	60.5	71.2	79.0
Borrowings	n.a.	n.a.	4.2	6.8	6.6	7.7	9.2	11.5	12.4	22.1	21.2	25.2
Other liabilities	n.a.	n.a.	1.0	1.5	1.5	2.1	2.4	2.7	3.1	3.6	4.5	4.6
Reserves	n.a.	n.a.	3.1	3.9	4.9	6.2	7.7	10.0	12.3	15.2	18.7	25.4
Undivided Earnings	n.a.	n.a.	2.9	4.1	5.3	7.1	8.8	11.6	13.3	17.4	20.1	23.1

¹ For sources see Tables II-A to II-H

² Except for Atlantic Provinces and some Ontario societies: see provincial statements.

APPENDIX D

TABLE II-C

QUEBEC

Combined Assets and Liabilities of Local Societies

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	0.2	0.3	0.4	0.5	0.5*	0.7*	0.8*	1.2	1.1*	0.8	1.3*	2.1
Investments	0.2	0.1	0.3*	0.5	0.7*	0.8*	1.0*	1.1	1.4*	1.6	2.0*	2.4
Loans	1.7	2.0	2.8*	4.0	5.0*	6.6*	9.4*	10.0	15.2*	18.5*	22.7	30.8
Mortgages	0.2	0.3	0.5*	0.8	1.0*	1.3*	1.6*	2.0	2.0*	2.2*	2.7	2.7
Fixed assets	0.1	—	—	—	—	0.1	0.1	0.1	0.2	0.3	0.3	0.3
Other assets	—	—	—	0.1	0.1	0.2	0.3	0.4	0.3	0.2	0.3	0.3
TOTAL.....	2.3	2.7	4.0	5.9	7.3	9.7	13.2	14.8	20.2	23.7	29.3	38.7
Liabilities												
Shares.....	0.9	0.9	1.3	2.1	3.4*	5.2*	7.8*	8.3	14.2*	16.2	22.4*	28.9
Deposits	1.2	1.6	2.4	3.4	3.6*	3.9*	4.4*	4.9	5.0*	5.2	5.4*	5.8
Borrowings.....	0.1	—	0.1	—	—	—	—	0.1	—	0.5	—	1.2
Other liabilities	x	0.1	0.1	0.1	—	0.1	0.1	0.1	—	—	—	x
Reserves	—	—	0.1	0.1	0.1	0.2*	0.4*	0.6*	0.6*	0.7	0.9	1.1
Undivided earnings.....	0.1	0.1	0.1	0.2	0.2	0.3*	0.5*	0.8*	0.3*	1.0	0.6	1.7

Source: Federal Department of Agriculture — An asterisk indicates partly estimated figures for the breakdown between cash and investments, or between personal loans and mortgages, or between shares and deposits, or between reserves and undivided earnings.

N.B. — Quebec credit unions are all those societies not affiliated to one or other of the federations of caisses populaires, shown in Tables V and following.

APPENDIX D

TABLE II-D

ONTARIO

Combined Assets and Liabilities of Local Societies

— \$ millions —

Year-end ¹	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	n.a.	n.a.	n.a.	n.a.	5.2	6.9	7.1	8.2	11.2	10.5	13.6	15.3
Investments	n.a.	n.a.	n.a.	n.a.	7.8	9.4	11.7	12.1	15.6	18.3	21.8	28.7
Loans	14.6	19.2	26.3	39.9	47.4	60.5	72.1	93.0	114.2	142.1	166.5	204.9
Mortgages	6.3	6.1	6.4	9.1	10.6	12.7	14.5	14.4	18.0	23.2	28.4	34.3
Fixed assets ²	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.8	1.1	1.4	1.6	2.0	3.7
Other assets	n.a.	n.a.	n.a.	n.a.	0.8	0.7	0.8	1.0	1.3	1.6	2.0	0.8
TOTAL	26.5	33.2	43.2	60.0	72.0	90.6	107.1	129.8	161.7	197.4	234.4	287.7
Liabilities												
Shares	16.0	20.6	27.4	39.9	49.0	62.2	73.2	90.9	111.8	136.1	163.2	208.4
Deposits	7.8	9.3	11.4	13.2	14.7	17.8	20.7	22.4	28.7	33.3	39.7	40.9
Borrowings	n.a.	n.a.	1.3	2.6	2.8	3.0	3.9	4.7	6.4	9.4	9.0	11.9
Other liabilities	n.a.	n.a.	0.2	0.5	0.5	0.8	0.9	0.9	1.0	1.1	1.2	0.5
Reserves	n.a.	n.a.	1.2	1.5	1.8	2.4	3.2	4.2	5.6	7.0	8.7	12.6
Undivided earnings	n.a.	n.a.	1.6	2.4	3.2	4.3	5.2	6.7	8.2	10.5	12.6	13.5

Source: Provincial Department of Insurance — substantial number of societies not reporting, particularly in 1956 and 1957, all being presumably small units. For 1961, preliminary estimates based on survey made by Ontario Credit Union League, adjusted for incomplete coverage.

¹ The above statements combine the fiscal year-end statements of individual societies; the fiscal year-end is determined by local by-laws, most are at December 31st.

² Fixed assets include real estate only, except in 1961.

APPENDIX D

TABLE II-E

MANITOBA

Combined Assets and Liabilities of Local Societies

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
<i>Assets</i>												
Cash.....	0.9	1.2	1.3	1.1	1.5	1.7	2.0	2.2	2.9	2.9	3.7	4.6
Investments.....	0.5	0.7	0.9	1.2	1.0	1.1	1.4	1.6	1.9	2.3	2.7	3.3
Loans.....	3.0	3.4	4.6	6.8	8.4	9.4	11.6	14.0	17.0	21.8	26.1	30.4
Mortgages	1.2	1.3	1.5	1.9	2.2	2.9	3.5	4.3	5.6	7.3	9.2	11.2
Fixed assets.....	—	—	—	0.1	0.1	0.2	0.2	0.3	0.3	0.5	0.6	0.7
Other assets	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1	0.2
TOTAL	5.6	6.6	8.4	11.0	13.2	15.3	18.7	22.4	27.8	34.9	42.4	50.5
<i>Liabilities</i>												
Shares	3.2	3.9	5.0	6.6	8.7	10.6	13.1	16.3	20.6	25.6	31.5	38.2
Deposits	2.0	2.2	2.6	2.9	2.8	2.9	3.4	3.6	4.3	5.0	5.8	6.3
Borrowings	0.2	0.2	0.3	1.0	0.8	0.9	1.0	1.0	1.0	2.0	2.2	2.3
Other liabilities ¹	—	—	—	—	—	—	—	—	—	—	—	—
Reserves	0.1	0.2	0.2	0.3	0.4	0.5	0.7	0.9	1.0	1.2	1.5	2.0
Undivided Earnings	0.1	0.1	0.2	0.3	0.4	0.5	0.5	0.7	0.9	1.1	1.4	1.8

Source: Annual Reports of the Provincial Department of Agriculture.

¹ "Other liabilities" are included in borrowings.

APPENDIX D

TABLE II-F

SASKATCHEWAN

Combined Assets and Liabilities of Local Societies

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash.....	1.2	3.0	3.5	3.3	3.3	3.2	4.0	5.3	7.1	6.0	7.7	11.9
Investments.....	2.8	3.0	4.6	6.1	5.7	6.9	9.0	10.4	14.4	18.4	21.8	27.8
Loans ¹	7.5*	7.7*	10.9*	15.2*	15.7*	15.6	17.0	18.6	21.0	28.2	34.3	44.5
Mortgages	0.8*	1.0*	1.8*	3.1*	3.8*	4.6	6.0	7.1	9.3	13.6	18.1	18.4
Fixed assets.....	0.1	0.1	0.2	0.3	0.4	0.5	0.6	0.8	1.2	1.6	2.3	3.0
Other assets	0.3	0.4	0.4	0.5	0.6	0.8	0.8	0.7	0.9	1.0	1.3	1.7
TOTAL	12.6	15.3	21.4	28.5	29.5	31.6	37.3	42.9	53.9	68.8	85.6	107.3
Liabilities												
Shares.....	8.0	10.1	13.9	19.3	21.7	23.2	27.4	31.7	40.3	50.6	63.7	81.4
Deposits	2.5	3.9	5.3	5.8	4.9	4.9	6.5	7.6	9.6	10.5	13.9	18.2
Borrowings	1.4	0.5	1.3	2.1	1.3	1.6	1.2	1.1	1.0	3.8	3.1	1.5
Other liabilities	—	0.3	0.4	0.5	0.6	0.6	0.8	0.9	1.1	1.6	2.1	2.7
Reserves	0.3	0.4	0.6	0.8	0.9	1.1	1.2	1.4	1.7	2.1	2.6	3.2
Undivided earnings	—	—	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2

Source: Annual Reports of Provincial Department of Cooperation — (*) indicates estimates by the officials of the department.

¹ "Personal loans" and "shares" exclude the unpaid portion of "endowment loan contracts". Such contracts were first offered in 1955 and the amounts thus excluded from the balance sheets are: in 1955, \$0.8; in 1956, \$1.3; in 1957, \$1.9; in 1958, \$2.6; in 1959, \$2.9; in 1960, \$3.2; in 1961, \$3.4.

APPENDIX D

TABLE II-G

ALBERTA
Combined Assets and Liabilities of Local Societies

- \$ millions -

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash.....	0.4	0.6	0.8	0.7	0.9	1.1	1.2	1.3	1.5	1.3	1.8	2.0
Investments.....	0.3	0.5	0.6	0.8	1.1	1.4	1.8	2.1	2.9	3.4	4.0	4.9
Loans.....	3.8	4.0	4.8	6.2	7.3	8.7	10.5	12.3	14.9	18.7	22.3	26.9
Mortgages ¹	-	-	-	-	-	-	-	-	-	-	-	-
Fixed assets.....	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.5	0.5	0.6	1.0	1.2
Other assets ²	-	-	-	-	-	-	-	-	0.1	0.2	0.2	0.2
TOTAL	4.6	5.1	6.2	7.8	9.4	11.3	13.8	16.2	19.8	24.2	29.2	35.2
Liabilities												
Shares	3.8	4.3	5.1	6.5	8.0	9.6	11.7	13.8	17.0	20.6	24.4	29.1
Deposits	0.3	0.4	0.6	0.6	0.6	0.7	0.9	0.8	1.0	1.0	1.3	1.8
Borrowings	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.2	0.6	1.1	1.4
Other liabilities ³	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	0.1	0.2	0.2	0.2	0.3	0.4	0.4	0.5	0.7	0.8	1.0	1.2
Undivided earnings	0.2	0.2	0.2	0.3	0.4	0.5	0.6	0.7	0.9	1.1	1.4	1.7

Source: Annual Reports of Provincial Department of Industry and Development.

¹ Mortgages included in personal loans.² Other assets included in fixed assets from 1950 to 1957.³ Other liabilities included in borrowings.

APPENDIX D

TABLE II-H

BRITISH COLUMBIA

Combined Assets and Liabilities of Local Societies

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash.....	1.0	1.4	1.8	2.2	2.8	3.6	4.0	5.3	6.7	7.4	9.5	11.4
Investments.....	0.3	0.3	0.5	0.7	0.8	0.8	0.9	1.3	1.8	2.3	2.5	3.2
Loans ¹	8.8	10.7	14.4	18.4	23.4*	29.0	30.9	38.7	42.8	55.7	60.0	67.6*
Mortgages	1.8	2.6	3.5	4.0	4.8*	5.8	6.7	7.7	9.1	10.1	11.2	13.4
Fixed assets.....	0.2	0.2	0.3	0.4	0.9	0.9	1.1	1.7*	2.1	2.5	3.0	3.1
Other assets	—	—	—	—	—	0.2	0.3	0.4*	0.5	0.6	0.7	1.0
TOTAL	11.9	15.2	20.4	25.6	32.7	40.3	43.8	55.2	63.0	78.6	86.9	99.8
Liabilities												
Shares ¹	9.8	12.5	16.7	21.3	27.0	33.5	35.9	43.9	51.5	63.2	71.0	80.9
Deposits	1.2	1.5	1.9	2.3	2.8	2.8	2.4	3.4	3.6	4.8	4.4	5.1
Borrowings	0.5	0.6	1.0	0.9	1.5	2.0	2.9	4.2	3.7	5.5	5.5	6.5
Other liabilities	—	—	—	—	—	0.1	0.2	0.2	0.4	0.3	0.5	0.5
Reserves	0.2	0.2	0.3	0.4	0.5	0.7	0.9	1.3*	1.5	2.0	2.4	3.4
Undivided earnings	0.3	0.4	0.5	0.7	0.9	1.2	1.6	2.2*	2.3	2.9	3.2	3.4*

Source: B.C. Credit Union League, B.C. Central Credit Society, the Provincial Credit Union Inspection Department and, for 1961, the Federal Department of Agriculture. As a result of slightly different coverage figures supplied by these bodies are not identical in some instances and a limited amount of estimation has been necessary. (*) Indicates figures obtained as residuals.

¹ For 1956, and following years, "personal loans" and "shares" exclude the unpaid portion of "endowment loan contracts"; these contracts although offered in earlier years were first reported for 1956. Thus there is a break in the series from 1955 to 1956. The figures thus excluded from the balance sheets are: in 1956, \$6.2; in 1957, \$7.6; in 1958, \$12.9; in 1959, \$16.3; in 1960, \$19.0; in 1961, \$20.3.

APPENDIX D

TABLE III-A

Combined Statements of Central Credit Societies¹

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
<i>Assets</i>												
Cash	0.3	0.3	0.4	0.6	0.5	1.6	2.1	2.5	2.8	3.6	4.2	5.7
Investments	2.0	2.4	5.0	7.4	6.1	6.0	8.3	12.0	21.8	14.6	16.7	27.7
Loans to Credit Unions ...	1.3	1.6	2.5	3.8	5.5	6.4	8.2	10.5	11.7	20.1	20.8	20.6
to Others	2.6	3.3	3.6	3.4	4.9	4.7	4.9	8.0	7.4	9.4	12.1	15.8
Fixed assets	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.4	0.6	0.8	0.8	0.9
Other assets	—	—	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.2
TOTAL	6.3	7.8	11.7	15.3	17.3	18.9	23.8	33.7	44.3	48.5	55.1	71.0
<i>Liabilities</i>												
Shares—Credit Unions	1.8	2.3	3.1	4.2	5.1	7.0	8.8	9.5	13.4	16.2	18.6	23.7
Others ²												
Deposits—Credit Unions ...	1.5	2.4	4.1	5.8	5.4	8.5	9.8	13.4	17.9	16.0	23.6	34.3
Others	1.8	1.1	1.2	2.1	1.3	2.5	3.7	4.8	6.6	6.9	6.5	6.0
Borrowings	0.8	1.7	2.7	2.6	4.3	—	0.2	4.6	4.8	7.3	3.9	3.1
Other liabilities	0.1	0.1	0.2	0.2	0.3	0.1	0.1	0.2	0.1	0.5	0.6	1.1
Reserves	0.2	0.2	0.4	0.5	0.6	0.7	1.0	1.1	1.4	1.6	1.8	2.1
Undivided earnings	—	—	—	—	—	—	0.1	0.1	0.1	0.1	0.2	0.5

¹ There are 16 central credit societies, of which the 8 shown in the following provincial Tables and a central in Quebec with assets of \$6 million in 1961 are included in this table. Of the 7 centrals not included, 2 are in Ontario: see footnote 1 to Table III-B. In addition 5 centrals in the Atlantic provinces have not been included because they publish statements at different year ends from April to September. Their total assets at December 31st are estimated to have been:—

1.0 1.1 1.6 1.9 1.9 1.9 2.2 2.9 3.4 3.9 4.6 5.0 5.7

² Included with deposits.

APPENDIX D

TABLE III-B

Ontario Central Credit Societies¹

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
<i>Assets</i>												
Cash	0.1	0.1	—	0.0	0.1	0.3	0.3	0.4	0.8	0.7	0.7	1.4
Investments	0.1	0.1	0.2	0.2	0.4	0.6	0.5	0.6	1.5	0.9	1.1	4.9
Loans—to Credit Unions....	0.3	0.3	0.7	1.2	1.6	2.2	3.1	3.6	5.7	8.3	8.6	9.0
to others	0.0	0.2	0.1	0.2	0.2	0.5	0.7 ³	1.1 ³	1.1	1.4	2.7	2.4
Fixed assets	—	—	—	—	—	—	—	—	—	—	—	—
Other assets.....	—	—	—	—	—	—	—	—	—	—	0.3	0.1
TOTAL	0.5	0.7	1.1	1.6	2.3	3.6	4.7	5.8	9.2	11.4	13.5	17.8
<i>Liabilities</i>												
Shares—Credit Unions ⁴	0.2	0.2	0.3	0.4	0.7	1.4	1.9	1.7	2.6	3.1	3.2	4.2
Others	—	—	—	—	—	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Deposits—Credit Unions ⁵ ..	0.2	0.4	0.6	0.8	1.2	1.8	2.3	3.3	5.0	5.3	8.3	10.9
Others ⁶	—	0.1	0.1	0.2	0.2	0.3	0.4	0.5	1.1	1.2	1.0	1.1
Borrowings	—	0.0	—	0.1	—	0.0	0.0	0.0	0.1	1.4	0.5	0.7
Other liabilities.....	—	—	—	—	—	—	—	—	0.1	0.2	0.1	0.3
Reserves.....	—	—	—	—	—	—	0.1	0.1	0.1	0.2	0.2	0.3
Undivided earnings	—	—	—	—	—	—	—	—	—	—	0.1	0.3

Sources: Annual and other reports of Ontario Credit Union League (central credit department), of Ontario Co-operative Credit Society, and of the Federation des Caisses Populaires de l'Ontario Ltée.

1 Does not include two small centrals of French-speaking credit unions and caisses populaires which had aggregate assets estimated at \$0.4 million in 1961.

2 For Ontario Co-operative Credit Society, November 30th from 1950 to 1954; from 1955 to 1960, main items of balance sheets as of December 31st, but total assets as of November 30th with residual adjustment included in other assets and liabilities.

3 Includes deposits of the Ontario Co-operative Credit Society with the Canadian Co-operative Credit Society.

4 Includes debentures issued by the Ontario Co-operative Credit Society to its credit union members.

5 Part of these deposits are on a term basis. Some local credit unions report these in their investments rather than in cash.

6 Includes debentures issued by the Ontario Co-operative Credit Society to its co-operative members.

APPENDIX D

TABLE III-C

Manitoba Central Credit Societies

— \$ millions —

December 31st ¹	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	—	—	0.1	—	0.1	—	0.2	0.1	0.3	0.1	0.2	0.4
Investments	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.3	0.4	0.3	0.4	0.4
Loans—to Credit Unions ..	0.1	0.1	0.4	0.2	—	—	0.1	0.2	0.4	—	—	—
to others.....	0.1	0.3	0.2	0.7	0.9	0.9	0.9	0.9	0.8	1.7	1.8	1.9
Fixed assets	—	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1
Other assets	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL.....	0.3	0.6	1.0	1.2	1.3	1.3	1.5	1.6	2.0	2.2	2.5	2.8
Liabilities												
Shares—Credit Unions	n.a	0.2	0.4	0.5	0.6	0.7	0.6	0.7	0.8	0.8	0.9	1.0
Others.....	n.a	—	—	—	—	—	—	—	—	—	—	—
Deposits—Credit Unions ..	n.a	0.3	0.4	0.3	0.4	0.6	0.8	0.9	1.2	1.0	1.4	1.7
Others.....	n.a	—	—	—	—	—	—	—	—	—	—	—
Borrowings.....	n.a	—	0.2	0.4	0.2	—	—	—	—	0.4	—	—
Other liabilities	n.a	—	—	—	—	—	—	—	—	—	—	—
Reserves	n.a	—	—	—	—	—	—	—	—	—	0.1	0.1
Undivided earnings.....	n.a	—	—	—	—	—	—	—	—	—	—	—

Source: Annual and other reports of Manitoba Co-operative Credit Society and of the Caisse Centrale de St. Boniface.

¹ The year-end of Manitoba Co-operative Credit Society was November from 1950 to 1952 and October from 1953 to 1955.

APPENDIX D

TABLE III-D

Saskatchewan Co-operative Credit Society

— \$ millions —

December 31st ¹	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	0.1	0.1	0.1	0.3	0.1	0.5	0.6	1.1	0.6	1.5	1.4	1.6
Investments ²	1.7	1.8	4.2	6.3	4.6	4.1	5.9	9.5	17.8	11.6	13.3	19.4
Loans to Credit Unions	0.5 ³	0.6 ³	0.8 ³	0.7 ³	1.5	1.0	1.3	1.3	0.9	3.8	3.6	1.3
to others.....	2.2 ³	2.4 ³	2.5 ³	2.3 ³	4.0	3.4	2.9	4.9	4.0	4.9	6.0	9.5
Fixed assets.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3
Other assets	—	—	—	—	0.1	0.1	0.1	0.1	—	—	—	—
TOTAL.....	4.5	5.0	7.6	9.7	10.3	9.1	10.9	16.9	23.5	22.0	24.6	32.0
Liabilities												
Shares—Credit Unions ⁴	1.4	1.7	2.3	3.0	3.4	4.2	5.0	5.7	8.2	10.0	11.9	15.6
—Others.....	0.2	0.1	0.1	0.2	0.2	0.3	0.5	0.2	0.2	0.5	0.8	0.2
Deposits—Credit Unions ..	0.3	0.5 ³	1.6 ³	2.8 ³	1.4	2.6	2.2	4.0	4.9	2.9	4.0	9.2
—Others.....	1.6	0.7 ³	0.8 ³	1.4 ³	0.5	1.4	2.1	3.0	4.4	4.1	3.4	2.6
Borrowings.....	0.8	1.7	2.4	1.7	4.1	0.0	0.2	3.0	4.7	3.1	2.8	2.4
Other liabilities	0.1	0.1	0.1	0.2	0.2	0.1	—	0.1	—	0.2	0.4	0.5
Reserves	0.2	0.2	0.3	0.4	0.6	0.6	0.8	0.9	1.1	1.2	1.3	1.5
Undivided earnings.....	—	—	—	—	—	—	—	—	—	—	—	—

Source: Annual and other reports of Saskatchewan Co-operative Credit Society.

¹ November 30th from 1950 to 1954; from 1955 to 1961, main items of balance sheet as of December 31st, but total assets and minor items as of November 30th, with residual adjustment included in other liabilities.

² Includes call deposits with some co-operative organizations.

³ Breakdown estimated by officials of Saskatchewan Co-operative Credit Society.

⁴ Shares of credit unions, as of December 31st, as reported in annual reports of the Provincial Department of Co-operation; "other shares" is a residual figure.

APPENDIX D

TABLE III-E

Alberta Central Credit Union

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
<i>Assets</i>												
Cash	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.2
Investments	—	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.5	0.3	0.2	0.6
Loans to Credit Unions ...	0.1	0.1	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.7	1.1	1.4
to others	—	—	—	—	—	0.1	0.2	0.3	0.3	0.4	0.8	0.9
Fixed assets	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1	0.1
Other assets	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	0.2	0.3	0.3	0.4	0.5	0.6	0.8	1.0	1.2	1.6	2.5	3.3
<i>Liabilities</i>												
Shares—Credit Unions	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.6	0.5	1.0	1.1	1.3
—Others	—	—	—	—	—	—	—	—	—	—	—	—
Deposits—Credit Unions ...	—	—	—	—	—	—	—	—	—	—	0.1	0.4
—Others	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.2	0.9	1.2	1.5
Borrowings	—	—	—	—	—	—	—	—	—	—	—	—
Other liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Reserves	—	—	—	—	—	—	—	—	—	—	—	—
Undivided earnings	—	—	—	—	—	—	—	—	—	—	—	—

Source: Annual Reports of Alberta Central Credit Union.

APPENDIX D

TABLE III-F

British Columbia Central Credit Union

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
<i>Assets</i>												
Cash	0.1	0.1	0.1	0.2	0.2	0.6	0.9	0.9	1.0	1.1	1.5	2.1
Investments	—	0.2	0.3	0.4	0.6	0.8	1.4	1.2	1.7	1.5	1.7	2.5
Loans to Credit Unions ...	0.3	0.5	0.7	1.0	1.3	2.0	2.7	4.5	4.0	5.4	5.5	6.8
to others	0.4	0.4	0.6	0.7	0.6	0.7	0.9	1.5	1.4	2.5	2.4	2.6
Fixed assets	—	—	—	—	—	—	0.1	0.2	0.3	0.4	0.4	0.4
Other assets	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL	0.8	1.1	1.7	2.4	2.7	4.2	5.9	8.3	8.4	11.0	11.6	14.4
<i>Liabilities</i>												
Shares—Credit Unions.....	—	0.1	0.1	0.2	0.2	0.4	0.7	0.7	0.8	1.0	1.1	1.3
—Others	—	—	—	—	—	—	—	—	—	—	0.1	0.1
Deposits—Credit Unions....	0.7 ¹	0.9 ¹	1.3 ¹	1.6 ¹	2.1	3.2	4.3	4.9	6.6	6.4	8.7	10.8
—Others	¹	0.1 ¹	0.2 ¹	0.2 ¹	0.3	0.5	0.6	0.9	0.7	0.9	1.0	1.3
Borrowings	—	—	0.1	0.4	—	—	—	1.6	—	2.5	0.5	0.3
Other liabilities	—	—	—	—	—	—	—	—	—	0.1	0.1	0.3
Reserves.....	—	—	—	—	—	—	0.1	0.1	0.1	0.2	0.2	0.2
Undivided earnings	—	—	—	—	—	—	—	—	—	—	—	—

Source: Annual and other Reports of British Columbia Central Credit Union.

¹ Breakdown estimated.

TABLE IV
FOUR CENTRAL CREDIT SOCIETIES¹
Main Assets and Liabilities, End of Quarter
— \$ millions —

	ASSETS					LIABILITIES			
	Loans			Investments	Total of Preceding Assets	Shares & Deposits		Borrowing	Total of Preceding Liabilities
	Cash	to Credit Unions	to Others			Credit Union	Others		
1956 Mar.....	1.0	5.0	5.4	6.6	18.0	14.2	1.5	1.7	17.4
June	1.3	7.8	5.6	8.9	23.6	16.3	1.4	5.0	22.7
Sept. ....	.9	8.7	6.7	7.3	23.6	16.5	1.7	2.1	20.3
Dec.	1.8	7.0	4.4	7.7	20.9	16.7	3.2	.2	20.1
1957 Mar.....	.6	7.5	6.6	8.3	22.9	17.8	2.4	.2	20.4
June	1.2	9.7	7.9	9.0	27.8	17.8	2.4	6.3	26.5
Sept.	1.2	10.7	8.2	7.1	27.2	16.9	2.4	5.7	25.0
Dec.	2.4	9.4	7.4	11.2	30.4	20.3	4.6	4.6	29.5
1958 Mar.....	1.1	9.1	7.4	13.5	31.1	23.4	3.3	4.5	31.2
June	1.1	11.3	7.7	15.2	35.3	23.1	3.0	8.1	34.2
Sept.	1.5	11.2	6.7	17.0	36.4	26.0	3.3	5.9	35.2
Dec.	2.3	10.5	6.6	19.7	39.1	28.0	6.4	4.7	39.1
1959 Mar.....	2.5	9.6	7.2	21.1	40.4	32.1	3.3	4.1	39.5
June	3.6	14.6	7.5	19.6	45.3	31.1	3.2	9.5	43.8
Sept.	2.3	16.8	8.1	17.7	44.9	30.0	3.2	10.0	43.2
Dec.	3.3	17.3	8.8	13.8	43.2	28.7	6.4	6.7	41.8
1960 Mar.....	2.0	15.4	11.2	12.8	41.4	32.5	3.6	5.3	41.4
June	2.4	18.4	12.0	14.3	47.1	32.9	2.8	8.7	44.4
Sept.	2.5	19.4	12.5	14.8	49.2	36.0	2.7	8.5	47.2
Dec.	3.7	17.3	11.2	16.1	48.3	36.0	5.5	3.8	45.3
1961 Mar.....	3.4	17.1	10.8	20.2	51.5	43.6	3.8	4.3	51.7
June	2.8	20.2	14.4	17.1	54.5	40.9	3.6	8.2	52.7
Sept.	3.1	21.4	15.3	23.8	63.6	46.9	3.6	9.9	60.4
Dec.	5.0	16.9	14.4	26.5	62.8	51.9	5.4	3.1	60.4

¹ Includes the Central Department of the Ontario Credit Union League, Ontario Co-operative Credit Society, Saskatchewan Co-operative Credit Society and the British Columbia Central Credit Union. These four centrals had about 84% of the assets of all credit union centrals in December 1961.

APPENDIX D

TABLE V
QUEBEC CAISSES POPULAIRES AND CAISSES CENTRALES DESJARDINS
 Consolidated Statement of Assets and Liabilities

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	14.7	21.7	19.1	17.0	22.8	30.1	31.7	40.5	41.1	49.2	62.9	70.9
Investments —												
Locals.....	82.7	89.8	106.7	117.6	121.1	134.3	149.9	163.8	191.3	199.2	216.1	246.5
Centrals	17.2	21.3	28.7	26.2	33.3	39.9	41.5	44.8	56.8	51.3	68.9	72.9
Loans —												
Local.....	112.1	123.1	138.8	161.9	177.5	209.6	250.1	269.6	308.9	349.2	365.0	418.6
Centrals	2.7	2.8	2.9	2.7	1.9	1.9	2.5	2.4	3.0	3.6	2.7	3.2
Fixed and Other Assets ...	5.6	6.4	7.0	8.3	9.7	11.4	14.1	17.3	19.7	23.1	25.9	30.1
TOTAL	235.0	265.0	303.3	333.7	366.4	427.2	489.9	538.4	620.7	675.5	741.4	842.2
Liabilities												
Shares and Deposits —												
Locals.....	221.7	250.7	287.0	313.1	344.8	402.8	461.3	507.2	585.3	634.4	696.9	791.5
Centrals	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Borrowings	0.8	0.0	0.0	1.7	0.2	0.2	1.1	0.2	0.2	1.3	0.0	0.0
Other liabilities.....	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.5	0.7
Reserves.....	10.4	11.9	13.6	15.6	17.9	20.3	23.0	26.0	29.1	32.7	36.7	41.6
Undivided earnings	2.0	2.2	2.6	3.1	3.2	3.6	4.1	4.6	5.8	6.6	7.1	8.2

Sources: La Fédération de Québec des Unions Régionales des Caisses Populaires Desjardins and La Fédération de Montréal des Caisses Desjardins.

APPENDIX D

TABLE VI
QUEBEC CAISSES POPULAIRES
 (Local Societies)
Combined Assets and Liabilities

- \$ millions -

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	31.6	43.2	46.8	41.5	54.2	67.8	72.5	83.6	95.4	97.9	127.8	140.0
Investments	86.3	93.8	111.1	121.6	125.2	138.5	154.5	168.6	196.4	204.5	221.8	253.0
Loans -												
Personal	27.1	27.5	29.2	30.2	32.6	35.1	41.2	34.3	39.3	44.8	50.0	56.8
Other								9.8	9.6	10.6	11.5	15.3
Mortgages	85.0	95.5	109.6	131.7	144.9	174.4	209.0	225.5	260.0	293.8	303.5	346.5
Fixed Assets	4.6	4.3	4.8	5.6	6.8	8.3	10.7	13.1	15.2	17.8	20.1	23.5
Other Assets		1.1	1.1	1.3	1.5	1.6	2.0	2.6	3.0	3.6	4.2	4.6
TOTAL	234.5	265.4	302.6	331.9	365.2	425.8	489.8	537.5	618.8	673.0	738.8	839.8
Liabilities												
Shares	16.8	18.1	20.2	23.0	25.5	28.8	32.4	35.3	39.4	43.6	48.5	56.7
Deposits	204.8	232.5	266.8	290.1	319.3	374.0	428.9	471.9	545.9	590.8	648.4	734.8
Borrowings	1.7	2.0	1.1	2.0	1.3	1.2	3.6	2.2	1.6	2.3	1.3	2.0
Other Liabilities	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.5	0.7
Reserves	9.2	10.6	12.1	13.9	15.9	18.2	20.7	23.5	26.3	29.7	33.5	38.1
Undivided Earnings	1.9	2.0	2.3	2.8	3.0	3.3	3.8	4.3	5.3	6.2	6.6	7.6

Sources: See Table V.

APPENDIX D

TABLE VII
 QUEBEC CAISSES CENTRALES DESJARDINS
 Combined Assets and Liabilities

— \$ millions —

December 31st	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Assets												
Cash	4.0	9.2	4.5	4.5	7.9	11.3	9.9	15.6	17.3	26.5	37.4	41.8
Investments	17.2	21.3	28.7	26.2	33.3	39.9	41.5	44.8	56.8	51.3	68.9	72.9
Personal Loans	2.6	2.3	2.4	2.2	1.2	1.2	1.8	1.8	1.6	2.4	1.5	1.3
Mortgages	0.1	0.6	0.5	0.5	0.7	0.7	0.6	0.6	1.4	1.2	1.3	1.9
Loans to Credit Unions	1.6	2.0	1.1	2.0	1.2	1.2	3.6	2.1	1.6	1.5	1.2	1.9
Fixed Assets	1.0	0.9	1.0	1.2	1.3	1.2	1.2	1.4	1.4	1.4	1.4	1.7
Other Assets		0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
TOTAL	26.4	36.3	38.4	36.7	45.8	55.7	58.9	66.5	80.2	84.5	111.8	121.9
Liabilities												
Shares —												
Credit Unions	3.6	4.0	4.4	4.0	4.1	4.2	4.6	4.8	5.1	5.3	5.7	6.5
Others	—	—	0.1	—	—	—	0.1	0.1	0.1	0.1	0.1	0.1
Deposits —												
Credit Unions	20.8	30.7	32.2	29.0	39.3	49.0	50.7	58.7	71.6	75.2	102.2	111.0
Others	—	—	—	—	—	—	—	—	—	—	—	—
Borrowings	0.6	—	—	1.7	0.2	0.1	1.1	0.2	0.2	0.5	—	—
Other Liabilities	—	—	—	—	—	—	—	—	—	—	0.1	—
Reserves	1.2	1.4	1.5	1.7	2.0	2.1	2.3	2.5	2.8	3.0	3.2	3.6
Undivided Earnings	0.1	0.2	0.3	0.2	0.2	0.2	0.3	0.4	0.5	0.4	0.5	0.6

Sources: See Table V.

APPENDIX D

TABLE VIII
Caisses Populaires, Local Societies¹
— \$ millions —

	ASSETS						LIABILITIES				
	Cash	Invest- ments	Mortgages	Other Loans	Total of Preceding Assets	Other Assets	Total Assets or Liabilities	Deposits	Shares	Borrowings and other Liabilities	Surplus and Undivided Earnings
End of:											
1935 Dec.....	1.5	3.4		5.4	10.3	.3	10.6	7.3	1.7	.3	1.3
1940 Dec.....	4.5	7.3		9.1	20.9	.3	21.2	16.4	2.7	.2	1.9
1945 Dec.....	17.9	56.6	30.1	13.3	117.9	1.2	119.1	107.2	7.4	.6	4.0
1950 Dec.....	30.8	81.5	80.8	26.4	219.5	4.5	223.9	195.7	16.0	1.8	10.4
1951 Dec.....	42.3	88.2	90.8	26.8	248.1	5.2	253.2	221.9	17.4	2.0	11.9
1952 Dec.....	45.7	105.0	103.5	28.4	282.6	5.6	288.3	254.1	19.3	1.2	13.6
1953 Dec.....	40.4	114.9	124.2	29.3	308.8	6.6	315.5	275.8	22.0	2.1	15.7
1954 Dec.....	52.7	117.0	136.4	31.7	337.8	7.9	345.7	302.2	24.3	1.4	17.8
1955 June.....	61.8	122.3	148.0	33.1	365.2	8.5	373.7	328.6	25.7	1.2	18.2
Dec.....	66.4	129.2	163.3	34.1	393.0	9.3	402.3	353.4	27.3	1.4	20.2
1956 June.....	73.1	141.2	178.8	36.8	429.9	10.5	440.3	389.0	29.1	1.4	20.8
Dec.....	68.7	144.1	195.7	39.9	448.4	11.7	460.2	404.9	30.8	1.7	22.9
1957 June.....	74.6	149.5	201.1	41.1	466.3	13.2	479.5	422.5	31.9	1.4	23.7
July.....	74.6	150.1	202.7	41.5	468.9			424.3			
Aug.....	77.0	150.9	204.4	42.0	474.3			429.2			
Sept.....	79.1	151.8	206.4	42.1	479.5	13.6	483.1	433.8	32.5	1.7	25.1
Oct.....	79.9	153.3	208.1	42.8	484.1			438.2			
Nov.....	81.7	155.5	209.5	42.7	489.4			443.3			
Dec.....	80.5	156.9	210.3	42.5	490.3	14.4	504.7	443.9	33.2	1.7	25.9

¹ Includes only the members of La Fédération de Québec des Unions Régionales des Caisses Populaires Desjardins. For additional detail, data on the centrals and consolidated balance sheets see the Federation's Submission, page 154 ff.

APPENDIX D

TABLE VIII - Continued
Caisses Populaires, Local Societies¹
- \$ millions -

	ASSETS						LIABILITIES				
	Cash	Invest- ments	Mortgages	Other Loans	Total of Preceding Assets	Other Assets	Total Assets or Liabilities	Deposits	Shares	Borrowings and other Liabilities	Surplus and Undivided Earnings
End of:											
1958 Jan.	82.8	158.9	210.4	41.6	493.7			447.1			
Feb.	87.7	160.8	210.4	41.9	500.8			454.7			
Mar.	92.3	163.7	211.1	43.0	510.1	15.0	525.1	463.4	34.0	1.2	26.5
Apr.	92.6	167.0	214.2	42.7	516.5			469.7			
May	97.2	168.1	217.7	43.3	526.3			479.7			
June	97.3	172.1	221.7	43.7	534.8	15.5	550.3	487.5	34.8	1.3	26.7
July	92.6	173.6	225.8	44.3	536.3			488.3			
Aug.	96.0	174.7	229.2	44.6	544.5			496.0			
Sept.	96.2	176.3	232.8	45.7	551.0	16.1	567.0	501.7	35.7	1.3	28.3
Oct.	96.2	178.3	235.8	46.6	556.9			507.2			
Nov.	97.4	179.8	238.6	47.1	562.9			512.9			
Dec.	92.5	181.2	241.0	47.0	561.8	16.7	578.5	510.8	36.8	1.6	29.3
1959 Jan.	94.7	183.6	241.9	46.7	566.9			515.2			
Feb.	99.0	185.1	243.4	47.3	574.8			524.1			
Mar.	98.4	188.8	245.6	47.8	580.6	17.6	598.3	529.2	37.8	1.6	29.7
Apr.	98.0	191.3	249.5	49.0	587.8			536.4			
May	100.5	192.6	254.0	49.9	597.0			546.2			
June	100.2	193.0	259.3	51.1	603.6	18.4	622.0	551.8	38.7	1.4	30.1
July	93.4	194.3	263.7	52.1	603.5			550.6			
Aug.	97.1	194.6	267.4	52.6	611.7			558.5			
Sept.	93.5	195.4	270.9	53.9	613.7	19.0	632.7	559.2	39.5	2.1	31.8
Oct.	91.9	194.2	272.7	54.5	613.3			558.3			
Nov.	97.8	190.7	272.8	54.0	615.3			560.0			
Dec.	94.1	189.2	271.9	53.5	608.7	19.8	628.5	552.1	40.6	2.6	33.1
1960 Jan.	98.3	189.8	270.7	52.4	611.2			554.9			
Feb.	107.2	188.7	269.6	52.0	617.5			562.1			
Mar.	111.8	189.0	268.8	52.8	622.4	20.5	642.9	566.4	41.6	1.3	33.6
Apr.	115.1	191.0	268.7	53.5	628.3			572.3			
May	120.9	191.4	270.1	53.8	636.2			580.4			
June	119.8	192.9	271.5	54.6	638.7	21.1	660.0	582.1	42.5	1.2	34.1

APPENDIX D

TABLE VIII - Concluded
Caisses Populaires, Local Societies¹
-- \$ millions --

	ASSETS							LIABILITIES			
	Cash	Invest- ments	Mortgages	Other Loans	Total of Preceding Assets	Other Assets	Total Assets or Liabilities	Deposits	Shares	Borrowings and other Liabilities	Surplus and Undivided Earnings
1960 July	119.4	192.8	273.1	54.8	640.1			582.8			
Aug.	123.5	195.0	274.7	55.4	648.6			591.0			
Sept.	123.2	197.0	276.7	56.4	653.3	21.8	675.0	594.7	43.4	1.1	35.8
Oct.	132.6	197.0	277.9	57.5	665.0			605.9			
Nov.	130.5	199.9	279.5	58.0	668.0			608.5			
Dec.	122.9	203.5	280.4	58.7	665.5	22.5	687.9	604.7	45.1	1.3	36.9
1961 Jan.	127.6	204.9	282.2	56.7	671.3			609.8			
Feb.	132.4	208.3	283.0	56.6	680.3			619.1			
Mar.	131.4	214.3	284.4	57.9	688.0	24.0	712.0	626.2	46.9	1.5	37.4
Apr.	133.7	216.5	287.4	59.2	696.8			634.8			
May	137.7	217.4	291.4	61.3	707.8			645.7			
June	136.4	222.9	295.1	63.7	718.0	24.9	742.9	654.7	48.6	1.5	38.1
July	136.2	223.8	299.7	63.9	723.6			658.9			
Aug.	133.3	225.9	304.3	64.7	728.2			662.8			
Sept.	138.2	226.9	308.2	66.2	739.5	25.6	765.0	672.7	50.2	1.7	40.4
Oct.	144.0	229.4	312.8	66.5	752.7			685.4			
Nov.	138.0	230.9	315.7	68.5	753.1			684.8			
Dec.	134.0	232.7	319.2	68.4	754.3	26.3	780.6	684.6	52.6	1.6	41.7
1962 Jan.	133.9	235.4	320.4	68.7	758.4			687.9			
Feb.	143.8	234.8	322.1	69.0	769.7			699.3			
Mar.	149.3	237.1	325.4	70.4	782.2			709.8			
Apr.	149.4	241.0	329.6	72.6	792.6			719.9			
May	146.6	241.9	335.5	75.0	799.0			725.6			
June	148.2	243.8	340.6	77.7	810.3			735.1			
July	146.5	244.5	344.8	78.6	814.4			737.3			
Aug.	146.2	246.3	348.4	80.2	821.1			743.1			
Sept.	145.8	246.0	351.3	81.9	825.0			745.3			
Oct.	155.0	245.1	354.4	82.2	836.7			756.2			
Nov.	154.1	244.8	356.3	83.4	838.6			756.8			
Dec.	149.6	244.9	357.9	84.7	837.1			755.2			

APPENDIX E

TRUST AND LOAN COMPANIES QUARTERLY BALANCE SHEETS, CLASSIFICATIONS OF LIABILITIES, AND INTEREST RATE INFORMATION

APPENDIX E

TRUST AND LOAN COMPANIES

Tables I and II are quarterly balance sheets of eleven trust companies having 69% of all trust company assets in 1962 and four loan companies having 48% of total assets. They are based on information compiled for the Trust Companies' Association of Canada by a group at the University of Western Ontario for its study "The Role of the Trust and Loan Companies in the Canadian Economy". The series have been extended to the end of 1962 by drawing on the quarterly balance sheet data collected by the Dominion Bureau of Statistics.

Full quarterly reporting of all the items shown was provided by the loan companies. In the case

of trust companies, all eleven companies provided fully detailed annual statements, and quarterly reports of their holdings of cash, preferred and common stock, mortgages and sale agreements, collateral loans and an aggregate figure for holdings of bills, bonds and short-term paper, as well as the amounts of deposit and other demand liabilities and of term liabilities. The additional quarterly information given in Table I has been estimated on the basis of quarterly data provided by seven of the companies.

Tables III and IV contain data on the size structure and ownership of trust and loan company liabilities and Table V gives average interest rates paid by the companies.

APPENDIX E

TABLE I

11 TRUST COMPANIES

Assets and Liabilities, quarterly (1)

— \$ Millions —

End of:	Assets													Liabilities			End of:				
														Total (1)	Deposits & Demand Certificates	Deposit Receipts etc.		All Other Liabilities			
	Cash	Govt. of Canada Securities		Provincial Securities	Municipal Securities	Short-term Notes	Corporate & Institutional Bonds	Sub-Total	Preferred & Common Stock	Mortgage Loans & Sales Agreements	Collateral Loans	Foreign Securities	Investments in Affiliates	Real Estate Building etc.					Other Assets		
Currency & Chartered Bank Deposits	Other Canadian Deposits	Foreign Currency	Treas. Bills	Other																	
1951 Mar.	9.4	1	—	134.6	30.0	16.3	20.8	201.8	8.9	68.3	8.6	4	2.0	6.1	3.3	308.9	137.3	109.2	62.4	1951 Mar.	
June	10.0	4	—	128.2	30.1	16.5	19.6	195.9	8.5	72.6	9.9	5	2.2	6.2	3.3	308.5	133.5	110.8	65.2	June	
Sept.	9.3	1	—	128.0	31.6	16.6	20.9	196.1	8.7	76.3	12.7	4	2.3	6.2	3.4	317.7	134.7	119.3	63.6	Sept.	
Dec.	14.0	7	—	121.7	28.3	17.7	21.6	192.3	9.1	78.8	10.8	5	2.4	6.2	3.5	318.2	136.1	118.0	64.1	Dec.	
1952 Mar.	13.3	4	1	131.3	27.5	16.8	20.5	200.8	8.7	78.6	9.8	2.4	2.7	6.2	3.0	326.0	140.1	126.4	59.5	1952 Mar.	
June	8.1	1	1	136.4	29.5	17.5	20.9	201.7	8.6	81.1	12.6	4	3.0	6.2	2.9	334.8	144.4	131.1	59.2	June	
Sept.	7.3	9	2	128.9	28.6	18.1	18.9	201.7	8.5	83.1	10.3	4	3.3	6.2	3.4	324.7	144.9	119.1	60.7	Sept.	
Dec.	20.2	4	2	111.6	31.1	19.4	18.0	187.2	8.4	85.2	11.4	2.8	3.5	6.2	3.4	329.0	146.3	119.4	63.2	Dec.	
1953 Mar.	9.9	3	3	115.3	29.9	19.1	20.4	193.6	8.0	85.6	10.1	4	3.5	6.6	2.9	321.2	148.3	113.2	59.7	1953 Mar.	
June	8.9	6	4	117.8	31.6	19.4	20.1	206.6	8.7	87.7	9.6	12.6	3.5	6.9	3.1	348.8	146.0	137.9	64.5	June	
Sept.	8.1	3	4	114.9	31.7	19.6	20.0	198.7	8.9	89.9	8.8	15.3	3.5	7.2	3.4	344.4	144.2	137.9	62.3	Sept.	
Dec.	11.3	8	5	108.4	31.2	20.8	19.1	185.4	9.5	95.1	10.7	1.2	3.5	7.5	3.5	329.0	145.5	117.9	65.6	Dec.	
1954 Mar.	14.8	3	4	119.8	32.0	21.0	21.8	202.3	9.3	95.7	11.0	2.1	3.3	7.6	3.1	349.9	149.8	129.9	70.3	1954 Mar.	
June	21.9	2	4	157.5	33.7	21.5	22.4	262.7	10.3	100.7	11.2	13.6	3.0	7.6	3.4	434.9	164.7	190.5	79.7	June	
Sept.	14.6	5	3	207.9	40.6	22.1	27.1	287.6	10.6	107.4	13.7	10.1	2.7	7.6	3.3	458.4	181.4	196.4	80.6	Sept.	
Dec.	20.6	3	2	146.9	53.0	26.8	26.5	270.0	11.6	111.7	13.9	8.2	2.4	7.7	3.9	456.8	193.4	194.9	86.2	Dec.	
1955 Mar.	15.4	2	2	166.5	61.1	29.7	40.1	313.1	12.6	115.7	16.5	5.5	2.8	7.8	4.2	493.8	208.1	214.8	70.9	1955 Mar.	
June	19.0	2	2	182.5	62.8	30.0	38.5	336.7	13.4	124.9	25.0	6.9	3.1	7.8	5.0	542.3	217.3	228.1	96.9	June	
Sept.	12.0	3	2	166.0	64.9	30.6	35.3	320.2	13.7	136.4	28.8	1.7	3.4	7.9	3.6	528.1	219.9	231.3	76.9	Sept.	
Dec.	23.5	4	2	6.0	125.2	68.4	30.0	287.5	13.3	145.6	21.2	1.1	3.8	8.0	4.0	507.5	213.9	221.6	72.1	Dec.	
1956 Mar.	7.4	3	2	136.8	69.4	29.4	30.6	296.1	13.8	150.9	25.0	.1	3.9	8.2	3.8	509.6	212.3	213.6	83.8	1956 Mar.	
June	8.7	4	2	127.9	64.0	27.8	35.4	287.7	14.7	160.4	23.6	.1	4.1	8.3	4.3	506.8	205.0	214.4	87.1	June	
Sept.	13.0	4	2	134.6	60.2	27.6	45.0	335.2	15.7	170.7	21.4	2.3	4.3	8.5	4.2	545.9	209.2	246.3	90.4	Sept.	
Dec.	25.3	3	2	107.7	54.7	26.4	28.0	267.7	17.0	173.2	21.4	7.8	4.4	8.6	4.6	523.8	213.3	232.9	77.3	Dec.	
1957 Mar.	8.4	1	2	105.0	58.1	25.5	28.1	260.9	16.9	174.8	20.6	14.3	4.3	8.6	4.6	513.7	195.1	237.1	81.5	1957 Mar.	
June	10.7	—	1	109.2	57.5	25.3	38.2	289.3	17.5	179.3	20.5	3.8	4.2	8.5	5.8	540.0	199.7	249.8	90.5	June	
Sept.	8.8	—	1	81.5	56.6	25.1	53.3	269.4	18.0	178.0	26.5	4.8	4.0	8.5	4.9	523.3	204.1	237.0	82.2	Sept.	
Dec.	23.2	7	2	3.5	109.9	58.7	42.1	40.7	27.3	19.5	175.6	29.1	5.1	3.9	8.4	5.8	558.8	206.1	264.7	80.0	Dec.
1958 Mar.	9.3	6	2	3.6	130.6	59.1	64.3	374.4	20.3	180.0	78.6	1.5	3.9	8.4	4.8	643.1	232.7	327.0	85.5	1958 Mar.	
June	14.9	1.4	3	153.1	71.8	28.3	72.3	60.0	19.7	180.6	58.4	1.4	3.8	8.4	5.2	678.3	253.2	353.3	72.8	June	
Sept.	25.6	5	3	20.2	124.4	76.5	91.7	74.0	19.4	210.1	57.2	3.4	3.8	8.4	4.5	749.1	277.8	390.6	80.7	Sept.	
Dec.	26.8	5	3	20.1	121.0	87.5	42.2	52.7	20.4	225.5	45.7	3.3	3.8	8.4	5.9	692.5	284.2	324.8	83.5	Dec.	
1959 Mar.	10.9	9	2	17.5	148.8	76.6	56.8	384.6	22.3	239.5	61.0	5.0	3.7	8.7	4.5	740.6	294.2	353.7	92.7	1959 Mar.	
June	8.3	6	2	12.4	160.3	68.0	66.0	52.1	23.2	244.8	36.5	2.6	3.6	9.1	5.2	701.3	283.1	318.3	99.8	June	
Sept.	12.5	8	2	12.4	160.3	68.0	76.2	56.3	23.2	260.0	35.6	2.6	3.5	9.4	5.8	698.6	290.7	308.8	99.2	Sept.	
Dec.	28.3	5	2	33.1	115.3	73.7	65.6	36.9	24.4	274.2	39.7	4.5	3.4	9.8	6.9	781.6	276.5	394.7	90.4	Dec.	
1960 Mar.	12.0	8	2	23.5	169.7	65.9	145.0	60.8	25.1	280.0	36.7	7.6	3.7	9.9	5.2	874.6	291.3	486.1	97.2	1960 Mar.	
June	16.2	1	2	1.5	194.5	75.4	135.4	70.1	25.1	292.3	43.5	6.1	4.0	10.0	5.2	914.1	322.4	481.5	101.1	June	
Sept.	18.7	5	2	6.8	186.1	77.9	158.2	79.3	25.2	310.2	43.5	7.5	4.4	10.1	5.2	969.3	346.2	527.1	96.0	Sept.	
Dec.	29.3	1.2	2	3.1	187.3	74.3	86.3	60.9	24.7	316.9	41.4	11.4	4.7	10.3	6.1	923.8	331.0	497.2	95.6	Dec.	
1961 Mar.	18.2	1.4	5	10.0	203.1	79.7	164.5	69.8	22.7	340.7	52.3	5.1	3.6	11.6	4.1	1,025.2	331.3	594.5	99.4	1961 Mar.	
June	19.1	1.1	6.8	8.0	206.0	83.5	140.6	71.6	23.8	363.7	58.7	5.1	4.1	12.0	4.9	1,047.8	331.8	612.9	103.1	June	
Sept.	20.3	7	10.8	9.6	207.6	89.4	144.1	74.0	24.5	396.7	60.8	5.1	4.0	13.1	4.0	1,108.5	356.0	646.6	103.9	Sept.	
Dec.	34.0	1.4	3.8	9.2	220.8	93.5	89.0	83.2	26.2	414.0	47.2	5.3	4.9	14.3	4.4	1,094.3	362.9	632.1	99.3	Dec.	
1962 Mar.	17.6	8	15.9	10.2	245.1	92.8	146.1	78.5	27.2	441.5	49.4	5.2	4.9	16.0	4.5	1,189.1	414.9	675.4	108.8	1962 Mar.	
June	23.0	5	21.8	6.4	236.8	94.9	104.9	89.5	27.8	483.7	49.5	5.3	4.9	17.4	4.8	1,217.0	429.2	678.5	109.3	June	
Sept.	13.8	3	7.8	9.4	237.3	91.7	117.3	83.4	27.7	527.7	52.3	5.5	5.0	17.5	5.7	1,245.6	411.8	709.5	124.3	Sept.	
Dec.	31.2	6	6.3	17.5	224.8	94.4	106.6	91.4	29.1	542.3	65.9	5.6	5.8	20.5	5.5	1,284.3	441.0	747.7	105.6	Dec.	

(1) Total Assets exclude interest, dividends and other receivables. These are netted against payables and surplus.

TABLE II
4 LOAN COMPANIES
Assets and Liabilities, quarterly

— \$ millions —

End of:	Assets										Liabilities			End of:		
	Cash				Total Canadian Bonds, Bills and Short-term Notes	Preferred & Common Stock	Mortgage Loans & Sales Agreements	Collateral Loans	Foreign Securities	Investments in Affiliates	Real Estate Buildings Etc.	Total ⁽¹⁾ Assets or Liabilities	Liabilities			
	Currency & chartered Bank Deposits	Other Canadian Deposits	Foreign Currency	Deposits and Demand Certificates									Debentures		All Other Liabilities ²	
1951 Mar.	7.4	.5	—	46.9	5.2	128.4	.2	—	—	6.3	6.3	201.1	92.0	75.0	34.1	1951 Mar.
June	3.8	.1	—	43.9	5.2	134.5	.2	—	—	6.3	6.0	188.9	91.4	75.1	33.5	June
Sept.	2.0	.1	—	42.5	5.3	140.8	.2	—	—	6.3	6.3	203.5	87.3	82.4	33.8	Sept.
Dec.	8.1	.1	—	41.2	5.4	140.7	.2	—	—	6.3	6.6	208.6	84.9	88.4	35.2	Dec.
1952 Mar.	5.4	.2	—	45.6	5.4	139.8	.2	—	—	6.3	6.5	209.4	87.8	87.0	34.5	1952 Mar.
June	4.8	—	—	46.3	5.4	143.4	.2	—	—	6.3	6.5	212.8	87.4	90.7	34.8	June
Sept.	3.6	—	—	46.3	5.4	145.9	.2	—	—	6.3	6.4	214.4	87.8	91.4	35.2	Sept.
Dec.	7.3	.1	—	42.0	5.5	149.3	.2	—	—	6.3	6.3	216.9	88.9	92.8	35.2	Dec.
1953 Mar.	5.3	.3	—	42.2	5.3	151.0	.2	—	—	6.3	6.3	216.9	90.8	91.3	34.8	1953 Mar.
June	4.7	.1	—	43.0	5.2	156.3	.2	—	—	6.3	6.2	222.0	92.5	94.0	35.6	June
Sept.	3.8	.1	—	41.4	5.1	159.7	.2	—	—	6.3	6.2	222.6	91.5	95.3	35.8	Sept.
Dec.	7.8	.1	—	37.9	5.0	162.7	.2	—	—	6.3	6.1	226.1	90.3	99.6	36.1	Dec.
1954 Mar.	6.2	.1	—	48.0	5.3	163.0	.2	—	—	6.3	6.1	235.0	91.6	107.2	36.2	1954 Mar.
June	7.6	.4	—	51.9	5.6	169.4	.2	—	—	6.3	6.0	247.3	97.3	114.3	37.1	June
Sept.	5.1	.5	—	55.8	5.9	176.0	.2	—	—	6.3	6.0	255.8	102.0	116.6	37.1	Sept.
Dec.	8.8	.1	—	54.4	6.2	182.4	.1	—	—	6.3	5.9	264.2	104.7	122.2	37.3	Dec.
1955 Mar.	8.2	.4	—	59.9	6.7	184.4	.2	.2	.2	6.3	6.2	288.7	112.6	135.0	39.1	1955 Mar.
June	9.1	.3	—	61.4	7.1	191.3	.2	.2	.2	6.3	5.9	281.7	117.3	127.9	36.5	June
Sept.	8.1	.3	—	61.4	7.6	196.6	.2	.2	.2	6.3	5.9	286.5	120.0	129.3	37.2	Sept.
Dec.	9.0	.1	—	54.8	8.1	202.8	.2	.2	.2	6.3	5.8	287.3	118.1	131.0	38.3	Dec.
1956 Mar.	6.4	.2	—	53.9	8.1	205.3	.2	.2	.2	6.3	6.6	288.7	112.6	135.0	39.1	1956 Mar.
June	3.6	.1	—	51.3	8.1	210.8	.2	.2	.2	8.2	6.2	289.1	108.9	139.0	41.1	June
Sept.	5.1	.1	—	45.4	8.2	217.4	.2	.2	.2	8.2	7.0	291.7	108.9	141.1	41.7	Sept.
Dec.	7.5	.2	—	40.4	8.2	224.4	.2	.2	.2	8.2	7.3	296.7	112.0	143.0	41.7	Dec.
1957 Mar.	5.1	.2	—	37.8	8.1	231.4	.2	.2	.2	8.2	7.6	298.8	110.8	142.3	45.8	1957 Mar.
June	3.4	—	—	39.3	8.0	231.2	.2	.2	.2	8.2	7.8	298.4	110.7	145.7	42.0	June
Sept.	5.3	.2	—	37.8	7.9	234.1	.2	.2	.2	8.2	8.1	302.0	112.1	150.1	39.9	Sept.
Dec.	9.0	.2	—	42.0	7.8	240.5	.3	1.2	.2	8.2	8.3	317.6	110.7	163.9	43.0	Dec.
1958 Mar.	8.3	.2	—	49.9	8.3	240.8	.3	1.2	.2	8.2	8.4	325.7	113.2	169.3	43.2	1958 Mar.
June	5.2	.3	—	59.3	8.8	248.5	.3	1.2	.2	8.2	8.5	340.3	122.3	173.7	44.3	June
Sept.	11.9	.5	—	59.8	9.2	256.9	.3	2.2	.2	8.2	8.5	347.5	124.0	176.7	48.2	Sept.
Dec.	7.9	.2	—	52.7	9.7	263.1	.3	2.2	.2	8.2	8.6	353.0	130.0	174.7	48.2	Dec.
1959 Mar.	6.8	.3	—	56.8	9.9	263.9	.3	2.2	.2	8.2	8.8	357.1	131.3	178.3	47.4	1959 Mar.
June	4.8	—	—	54.4	10.0	277.9	.3	2.2	.2	8.2	9.0	366.8	122.2	195.6	48.9	June
Sept.	4.7	.2	—	51.4	10.1	293.5	.8	2.2	.2	8.2	9.2	380.3	124.5	206.3	49.4	Sept.
Dec.	10.9	.2	.1	50.2	10.2	302.7	1.7	3.1	.2	8.2	9.4	396.8	115.7	230.8	50.1	Dec.
1960 Mar.	5.7	.2	—	58.0	10.1	306.5	2.5	3.1	.2	8.2	9.5	403.8	111.4	242.2	50.2	1960 Mar.
June	6.6	.2	—	56.7	10.0	323.4	3.2	5.1	.2	8.2	9.5	414.1	112.7	250.9	50.6	June
Sept.	6.4	.3	—	62.1	9.9	323.4	2.4	5.1	.2	8.0	9.6	427.3	120.2	257.7	49.4	Sept.
Dec.	8.7	.9	.1	56.3	9.9	345.3	.3	5.0	.2	8.0	9.7	444.1	128.1	263.9	52.2	Dec.
1961 Mar.	8.2	.9	—	60.7	10.4	353.5	2.5	2.6	.2	7.6	10.3	456.8	134.8	269.6	52.4	1961 Mar.
June	7.2	.7	—	61.5	11.0	369.0	3.1	2.6	.2	7.6	10.6	463.8	131.6	279.1	52.6	June
Sept.	8.8	—	—	64.7	11.1	386.2	4.1	2.7	.2	7.6	11.2	482.6	150.4	292.6	53.7	Sept.
Dec.	10.0	.7	.1	78.6	11.0	401.6	1.7	2.7	.2	18.3	11.2	533.8	169.8	304.7	61.3	Dec.
1962 Mar.	9.7	1.3	—	90.3	11.2	407.5	1.9	2.9	.2	18.3	12.2	555.2	183.4	306.7	65.1	1962 Mar.
June	7.5	.5	—	87.5	11.4	427.3	3.6	2.8	.2	18.3	13.5	572.4	197.7	309.9	64.8	June
Sept.	9.9	—	—	86.1	11.4	445.0	12.2	2.8	.2	20.9	14.0	602.3	190.0	346.3	66.0	Sept.
Dec.	12.2	3.0	—	83.7	12.0	467.1	7.0	2.8	.2	18.4	13.4	619.4	195.3	361.1	63.0	Dec.

(1) Total Assets excludes interest, dividends and other receivables. These are netted against payables and surplus.

APPENDIX E

TABLE III

TRUST AND LOAN COMPANY DEMAND DEPOSIT ACCOUNTS AT 31st OCTOBER, 1961

Classified by Holder, Size, Number and Type of Account

(Thousands of Dollars)

DEMAND DEPOSITS WITH CHEQUING PRIVILEGES - 13 TRUST AND LOAN COMPANIES Holder	Accounts Under \$500		Accounts \$501 - \$5,000		Accounts Over \$5,000		Total Accounts	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Government of Canada.....	-	-	-	-	-	295	-	295
Canadian Crown Corporations	-	-	-	-	2	4,607	2	4,612
Provincial and Provincial Corporations	-	-	1	5	2	1,158	3	1,183
Municipalities and Municipal Agencies	18	4	17	21	9	48	44	48
Private - Chartered Banks	-	-	-	-	2	22,546	2	22,643
Trust and Mortgage Companies	81	13	51	84	77	3,180	209	3,188
Life Insurance Companies	2	-	3	62	15	766	51	828
Mutual Funds	-	-	46	759	5	15,912	1,100	16,742
Other Corporations	335	71	372	126,397	393	149,419	239,736	298,612
Individuals ¹	151,065	22,796	77,007	1,351	11,664	2,080	2,268	3,613
Foreign	1,309	182	796	128,687	163	200,011	243,435	351,764
Total	152,810	23,066	78,293	1,643	12,332	16,218	100%	1,445
Average Deposit.....		150		36.5%		57%		100%
Percent of Total to Grand Total	63%	6.5%	32%		5%			
¹ Including unincorporated businesses.								
DEMAND DEPOSITS WITHOUT CHEQUING PRIVILEGES - 10 TRUST AND LOAN COMPANIES Holder	Accounts Under \$500		Accounts \$501 - \$5,000		Accounts Over \$5,000		Total Accounts	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Government of Canada.....	-	-	-	-	-	-	-	-
Canadian Crown Corporations	-	-	-	-	-	8	1	8
Provincial and Provincial Corporations	-	-	-	-	11	265	18	284
Municipalities and Municipal Agencies	-	-	7	19	-	-	-	-
Private - Chartered Banks	-	-	-	-	42	1,084	144	1,199
Trust and Mortgage Companies	48	6	54	109	6	140	8	144
Life Insurance Companies	-	-	2	4	7	4,950	172	4,963
Mutual Funds	159	2	6	11	1,105	43,889	2,691	45,981
Other Corporations	629	106	957	1,986	5,661	77,453	95,782	144,569
Individuals ¹	57,952	7,613	32,169	59,503	47	722	302	1,069
Foreign	96	21	159	326	6,880	128,511	99,118	198,217
Total	58,884	7,748	33,354	61,958		18,678	100%	2,000
Average Deposit.....		131		1,857		65%		100%
Percent of Total to Grand Total	59%	4%	34%	31%	7%			
¹ Including unincorporated businesses.								

Source: "The Role of the Trust and Loan Companies in the Canadian Economy," a study prepared at the University of Western Ontario for the Trust Companies' Association of Canada. These tables cover 15 and 10 companies having 68% and 60% respectively of the assets of companies registered in Ontario in 1960.

APPENDIX E

TABLE IV
TRUST AND LOAN COMPANY TERM DEPOSITS, INVESTMENT CERTIFICATES AND DEBENTURES AT 31st OCTOBER, 1961
 Classified by Holder, Size and Number
 (Thousands of Dollars)

Holder	Accounts Under \$500		Accounts \$501 - \$5,000		Accounts Over \$5,000		Total Accounts	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Government of Canada	—	—	—	—	—	—	—	—
Canadian Crown Corporations	—	—	—	—	3	2,115	3	2,115
Provincial and Provincial Corporations	8	1	1	1	25	11,170	34	11,172
Municipalities and Municipal Agencies	18	9	91	198	109	4,805	218	5,012
Private - Chartered Banks	—	—	—	—	9	1,855	9	1,855
Trust and Mortgage Companies ..	157	82	640	1,390	134	3,291	1,031	4,763
Life Insurance Companies	3	1	25	152	112	5,703	140	5,856
Mutual Funds	—	—	1	5	19	144	20	149
Other Corporations	190	58	1,032	2,194	2,676	298,118	3,898	300,370
Individuals ¹	39,952	13,231	78,275	156,187	13,989	215,122	132,216	384,540
Foreign	366	123	690	1,242	140	18,550	1,194	19,915
Total	40,792	13,505	80,755	161,369	17,216	560,873	138,763	735,747
Average Deposit		331		1,998		32,579		5,302
Percent of Total to Grand Total	30%	2%	58%	22%	13%	76%	100%	100%

¹ Including unincorporated businesses.

Source: "The Role of the Trust and Loan Companies in the Canadian Economy," a study prepared at the University of Western Ontario for the Trust Companies' Association of Canada. This table covers 17 trust and loan companies having 82% of the assets of companies registered in Ontario in 1960.

APPENDIX E

TABLE V
TRUST AND LOAN COMPANIES, INTEREST RATES⁽¹⁾

	Chequable Deposits	Term Liabilities			Chequable Deposits	Term Liabilities	
		1 year	5 years			1 year	5 years
1951				1959			
I	1.95%	2.69%	3.20%	I	3.20%	4.96%	5.10%
II	1.95	2.66	3.35	II	3.21	5.27	5.13
III	1.95	2.66	3.50	III	3.25	5.52	5.34
IV	1.95	2.75	3.55	IV	3.25	5.75	5.56
1952				1960			
I	2.00	2.83	3.64	I	3.29	5.04	5.54
II	2.00	2.88	3.64	II	3.29	4.73	5.25
III	2.00	2.88	3.64	III	3.33	4.38	5.18
IV	2.00	2.96	3.64	IV	3.33	4.37	5.09
1953				1961			
I	2.09	2.97	3.95	Jan.	3.33	4.50	5.00
II	2.09	2.97	4.00	Feb.	3.33	4.50	4.95
III	2.09	2.91	4.00	Mar.	3.33	4.44	4.95
IV	2.09	3.00	4.02	Apr.	3.33	4.44	4.95
1954				May	3.33	4.44	4.95
I	2.36	2.98	3.75	June	3.33	4.25	4.95
II	2.41	2.97	3.68	July	3.33	4.25	4.95
III	2.41	2.94	3.59	Aug.	3.33	4.25	4.95
IV	2.41	2.80	3.57	Sept.	3.33	4.25	4.95
1955				Oct.	3.33	4.25	4.95
I	2.52	2.80	3.63	Nov.	3.33	4.12	4.95
II	2.52	2.78	3.63	Dec.	3.33	4.00	4.95
III	2.54	2.79	3.67	1962			
IV	2.56	2.85	3.67	Jan.	3.33	4.00	4.95
1956				Feb.	3.33	4.00	4.95
I	2.67	3.28	3.90	Mar.	3.33	4.00	4.95
II	2.67	3.71	4.08	Apr.	3.67	4.00	4.95
III	2.73	3.77	4.13	May	3.67	4.15	5.00
IV	2.94	3.96	4.13	June	3.67	4.85	5.20
1957				July	3.67	5.20	5.50
I	3.09	4.37	4.59	Aug.	3.67	5.60	5.65
II	3.14	4.29	4.59	Sept.	3.67	5.40	5.50
III	3.14	4.73	4.66	Oct.	3.67	5.15	5.30
IV	3.16	4.71	4.73	Nov.	3.67	4.95	5.15
1958				Dec.	3.67	5.05	5.20
I	3.19	4.27	4.68	1963			
II	3.17	3.97	4.62	Jan.	3.67	5.00	5.20
III	3.16	3.90	4.63	Feb.	3.67	4.90	5.25
IV	3.16	4.00	4.70	Mar.	3.67	4.80	5.25
				Apr.	3.67	4.65	5.15
				May	3.67	4.30	5.00
				June	3.67	4.25	5.00

(1) From 1951 to 1960, average rates paid during each quarter by the principal companies: thereafter average rates at month-ends.

APPENDIX F

**SURVEY OF ESTATE, TRUST AND
AGENCY FUNDS ADMINISTERED BY
TRUST COMPANIES**

APPENDIX F

SURVEY OF ESTATE, TRUST AND AGENCY FUNDS ADMINISTERED BY TRUST COMPANIES

Very little has been known about the funds held by the trust companies in their estate, trust and agency accounts. The Commission approached the Trust Companies' Association of Canada and obtained the co-operation of three large companies in a sample survey of their accounts conducted in mid-1962. The Royal, Montreal and National trust companies, which hold some 60% of all funds administered by trust companies, carried out a survey in four large Montreal and Toronto offices — one company surveyed two offices while the others took only their main branches. Pension funds and securities held on deposit for insurance companies were not included in the survey, both because of the special nature of these funds and because detailed statistical information was already available from other sources.⁽¹⁾ The book value of these two types of account was about \$1.8 billion at the end of 1961 out of total funds of \$8.3 billion. About one-third of the remaining \$6½ billion (at book value) administered by trust companies in estates, under trust agreements or in agency accounts was held in the four offices included in the sample survey.

The main purpose of the survey was to provide information on the distribution of these funds among different types of account and the distribution of their investment in different assets.⁽²⁾ It also served to give an indication of the extent to which the reported book values — the only data available from other sources — understate the market value of the assets under administration.

(1) The Dominion Bureau of Statistics publishes annual statistics for Trusteed Pension Plans and details of insurance company deposit securities are given in the annual reports of the Superintendent of Insurance for Canada.

(2) The Commission of course had no interest in the affairs of individual accounts and the returns received from the companies could not be identified in any way.

Methods of valuation differ from company to company, but the relationship of book to market values shown in the survey and full descriptions of their valuation procedures provided by nearly all the trust companies made it possible to estimate the market value of all E.T. and A funds at the end of 1961. As indicated in the Commission's report, the \$6½ billion of funds other than pensions and insurance company securities appear to have had a market value of some \$8.7 billion. The market value of pension funds was about \$1.4 billion and the insurance company securities had a market value of \$1.8 billion, as reported by the Superintendent of Insurance, compared to a book value of about \$0.4 billion. Thus the aggregate market value of all E.T. and A funds was about \$11.9 billion compared to the published book value of \$8.3 billion.

The design of the sample

The three companies were able to provide summary data on the size structure of all the accounts held in the four offices to be surveyed and this information was used to design the sample and re-weight the results. As the following table shows, there were few accounts having \$10 million or more of assets and it was decided to include all of them in the sample. The remaining accounts in a total sample of 798 (the original design called for 800 but one company inadvertently included two less than requested) were distributed within each company in proportion to the total value of assets in each size class.⁽¹⁾ Thus while all accounts of \$10 million or more were taken, 82.5%

(1) The distribution of accounts was carried out separately in each company and since the size structure of their business differs somewhat, the combined data shown in the table is not strictly proportional. The results are also affected by the fact that two of the companies provided the original size classification on the basis of book values while the distribution of sample accounts shown is based on market values. The estimated distribution of funds at market values derived from the survey is given in Table II below.

TABLE I
DISTRIBUTION OF ACCOUNTS

Size of accounts	All Accounts			Sample Accounts		
	Number	Value of Assets \$ millions	%	Number	%	Ratio of total to sample number of accounts
Less than \$100,000	6,283	192.4	12.4	125	16.0	50.264
\$100,000 to \$1 million	2,567	702.2	45.2	428	54.7	5.998
\$1 million to \$10 million	279	658.4	42.4	230	29.4	1.213
Sub-total	9,129	1,553.0	100.0	783	100.0	
\$10 million and over	15	401.5		15		1.000
TOTAL	9,144	1,954.5		798		

of the accounts with assets from \$1 million to \$10 million, 16.5% of \$100,000 to \$1 million accounts and 2% of accounts with less than \$100,000 entered the sample. The ratios of total numbers of accounts to the numbers in the sample in each size class were used in re-weighting the sample results to make them representative of the actual size structure of E.T. and A accounts.

It must be emphasized that at the very best the survey accurately reflects the business done in the four offices sampled. In the absence of any detailed information on the E.T. and A business of other companies – or indeed on that done in other offices by the three companies covered – there is no way of telling how typical the results are of the business as a whole. It was mentioned in the report that the main offices of large companies may well have relatively more agency business and more large accounts than are found elsewhere, and similarly these accounts may be invested less in mortgages than accounts in smaller centres. Even for the offices covered the sample is by no means perfect for no information was available at the outset to design a sample stratified by such important characteristics as the type of account – whether estate, personal trust, institutional trust or agency. Within each size category the accounts were chosen at random so that the sample should be representative of each size category, but they have been re-weighted using the average size structure of all accounts. However the results were checked where possible by re-weighting each company's sample separately

and since no major discrepancies between the two methods were thrown up, the following tables can be taken as broadly representative of the four offices sampled.

Information obtained for each account in the sample

The following characteristics of each account were reported:

1. Type of account:
 - Estate or Testamentary Trust
 - Personal trust
 - Institutional trust
 - Agency account
2. Year of establishment of the account
3. Investment limits:
 - limited to investments permitted by Trustee Acts or the Quebec Civil Code, or more restricted
 - limited to investments permitted by the Canadian and British Insurance Companies Act
 - no investment restrictions
 - some combination, e.g. part of an account restricted in some way, the remainder being unrestricted.
4. Investment responsibility of the trust company:
 - trust company is the sole executor or administrator
 - trust company has joint responsibility with others
 - trust company has no investment authority.

A full distribution of the accounts' investments at book and market values was obtained and in addition detailed information on acquisitions and

disposals of assets during the 6 months preceding the mid-1962 survey date was reported in the following form:

As at date of most recent return on portfolio		During preceding six months (Market Value)				
		Acquisitions		Disposals		
		(3)	(4)	(5)	(6)	(7)
		New Accounts	Other	At Maturity	Partial Distribution	Other
(1)	(2)					
Book Value	Market Value	\$	\$	\$	\$	\$
\$	\$	\$	\$	\$	\$	\$
5. ASSET DISTRIBUTION						
(a) Common Trust Funds						
(b) Trust Co. Investment Trusts						
(c) Other Mutual and Investment Funds						
(d) Treasury Bills						
(e) Other Government of Canada direct and guaranteed						
— under 3 years						
— three years and over						
— Total						
(f) SUBTOTAL, Government of Canada securities (d & e)						
(g) Provincial — direct and guaranteed securities						
(h) Municipal — direct and guaranteed securities						
(i) Trust Company G. I. C.'s						
(j) Commercial paper						
(k) Corporate bonds and debentures						
(l) Equities — private						
— public: common						
preferred						
total						
Total equities						
(m) Foreign securities — bonds						
— equities						
— total						
(n) Mortgages — N.H.A.						
— other residential						
— commercial and industrial						
— TOTAL						
(o) Cash						
(p) Other assets						
SUBTOTAL (a to p inclusive)						
(q) Real Estate						
TOTAL	n/a n/a					

The main features of the survey results were indicated in the Commission's report and the tables in this appendix provide more details. A great many classifications of the results were prepared, grouping accounts by size and according to various combinations of the characteristics listed above.⁽¹⁾ Many of the finer groupings did not prove significant, either because the structure

of asset holdings and trading behaviour did not vary meaningfully within the broader categories shown below or because the sample was not large enough to yield reliable results in all classifications.

The aggregate market value of all accounts in the offices surveyed is estimated at \$2,470 million, distributed by size and type of account as in Table II.

TABLE II
ESTIMATED DISTRIBUTION OF FUNDS

Size of accounts:	\$ millions, market values				TOTAL
	Estates and Testamentary Trusts	Personal Trusts	Institutional Trusts	Agency Accounts	
under \$100,000	142.9	33.1	4.0	66.2	246.2
\$100,000 to \$1 mn	580.4	123.2	17.3	347.3	1,068.2
\$1mn to \$10mn	240.1	57.1	78.4	340.0	715.6
\$10mn and over	43.4	18.6	43.3	334.9	440.2
TOTAL	1,006.7	232.0	143.0	1,088.4	2,470.1

Tables III to VI give the distribution of funds among different investments for each size and type of account, and Tables VII to IX provide the same information for groups of accounts with similar investment restrictions and trust company authority. The next two tables summarize the sample information about trading activity, which may reflect the particular market circumstances

of the first half of 1962 as much as 'typical' trading activity of E.T. and A accounts. Finally Table XII classes accounts by their date of establishment, giving some indication of the extent to which the investment limits and degree of trust company authority written into wills and trust agreements have altered during recent decades.

(1) Copies of the full results have been deposited in the Public Archives and in the libraries of the Dominion Bureau of Statistics and the Bank of Canada.

APPENDIX F

TABLE III

ESTATES AND TESTAMENTARY TRUSTS
Distribution of Assets, by Size of Account

	Under \$25 m.	\$25 m. to \$100 m.	\$100 m. to \$1 mn.	\$1 mn. to \$10 mn.	\$10 mn. and over	TOTAL	
	%	%	%	%	%	%	\$ millions
Govt. of Canada Direct and Gtd. Sec.							
- Treasury bills	—	.2	.1	.1	.9	.1	1.2
- Bonds — under 3 years	2.1	.4	1.3	.9	3.4	1.2	12.3
- 3 years and over	27.4	13.3	10.5	7.5	3.4	10.2	102.2
Total	29.5	13.9	11.8	8.5	7.7	11.5	115.7
Provincial Direct and Gtd. Sec.	22.1	16.9	12.7	10.0	8.6	12.5	126.3
Municipal Direct and Gtd. Sec.	2.5	3.3	2.4	2.8	12.1	3.0	30.5
Trust Company G.I.C.'s .....	.2	2.9	.7	.5	.6	.9	9.3
Commercial Paper	—	—	—	.8	2.0	.3	2.9
Corporate Bonds and Debentures	4.1	7.7	6.5	7.2	13.0	7.0	70.9
Canadian Equities:							
- Private	—	.7	5.0	10.7	.5	5.6	55.9
- Public — Common	22.2	37.9	47.7	43.7	45.2	44.9	452.3
- Preferred	2.7	5.4	4.7	2.9	1.2	4.1	41.7
Total	24.9	44.0	57.4	57.3	47.0	54.6	549.9
Foreign Securities:							
- Bonds	—	—	.4	1.6	—	.6	6.0
- Equities	1.1	1.0	3.4	7.9	5.7	4.2	42.5
Total	1.1	1.0	3.8	9.5	5.7	4.8	48.5
Mortgages:							
- N.H.A.	—	.3	—	.1	.7	.1	.9
- Other Residential	2.7	1.5	2.3	.8	1.8	1.8	18.6
- Commercial and Ind.	—	3.6	.2	.6	.8	.7	7.5
Total	2.7	5.4	2.6	1.5	3.3	2.7	27.0
Mutual Investments	—	—	.2	.1	—	.2	1.6
Cash and Other Assets	7.3	1.7	.8	1.3	—	2.4	24.0
Total ¹	100.0	100.0	100.0	100.0	100.0	100.0	
Total Market Value of Assets ¹	\$142.9 mn.		\$580.4 mn.	\$240.1 mn.	\$43.4 mn.		\$1,006.7 mn.

¹ Excluding real estate. The estimated values of assets shown in each size class are those derived by reweighting the sample information: the total therefore differs from that shown in Table VII, which is based on the unweighted results.

APPENDIX F

TABLE IV

PERSONAL LIVING TRUSTS
Distribution of Assets, by Size of Account

	Under \$25 m.	\$25 m. to \$100 m.	\$100 m. to \$1 mn.	\$1 mn. to \$10 mn.	\$10 mn. and over	TOTAL	
	%	%	%	%	%	%	\$ millions
Govt. of Canada Direct and Gtd. Sec.							
– Treasury bills	—	—	—	.1	—	—	—
– Bonds — under 3 years	1.2	2.0	1.6	.8	3.7	1.6	3.7
– 3 years and over	6.1	6.9	7.1	7.1	1.9	6.6	15.3
Total	7.3	8.9	8.7	7.9	5.6	8.2	19.1
Provincial Direct Gtd. Sec.	17.7	8.9	10.9	8.9	6.9	10.1	23.5
Municipal Direct and Gtd. Sec.	—	3.8	2.2	1.9	—	2.0	4.7
Trust Company G.L.C.'s	—	—	.1	.1	—	—	.1
Commercial Paper	—	—	—	—	—	—	—
Corporate Bonds and Debentures	13.4	16.4	9.1	9.9	.3	9.5	22.0
Canadian Equities:							
– Private	20.7	—	1.5	1.4	—	1.9	4.3
– Public — Common.....	11.0	51.4	50.2	46.8	14.8	45.3	105.0
– Preferred.....	—	1.2	4.0	6.3	—	3.8	8.9
Total	31.7	52.6	55.8	54.5	14.8	51.0	118.2
Foreign Securities:							
– Bonds	—	—	.7	2.4	18.7	2.5	5.7
– Equities	10.4	8.1	9.8	12.3	43.4	12.9	30.0
Total	10.4	8.1	10.4	14.7	62.2	15.4	35.7
Mortgages:							
– N.H.A.	—	—	—	—	—	—	—
– Other Residential	7.3	—	.9	1.4	—	1.1	2.5
– Commercial and Ind.	—	—	—	.1	—	—	.1
Total	7.3	—	.9	1.5	—	1.1	2.5
Mutual Investments	—	—	—	.2	—	.1	.1
Cash and Other Assets.....	12.2	1.4	2.0	.5	10.3	2.6	6.0
Total ⁽¹⁾	100.0	100.0	100.0	100.0	100.0	100.0	
Total Market Value of Assets ⁽¹⁾	\$33.1 mn.		\$123.2 mn.	\$57.1 mn.	\$18.6 mn.		\$232.0 mn.

(1) Excluding real estate. The estimated values of assets shown in each size class are those derived by reweighting the sample information: the total therefore differs from that shown in Table VIII, which is based on the unweighted results.

APPENDIX F

TABLE V

INSTITUTIONAL TRUSTS
Distribution of Assets, by Size of Account

	Under \$25 m.	\$25 m. to \$100 m.	\$100 m. to \$1 mn.	\$1 mn. to \$10 mn.	\$10 mn. and over	TOTAL	
	%	%	%	%	%	%	\$ millions
Govt. of Canada Direct and Gtd. Sec.							
– Treasury bills	—	—	—	—	—	—	—
– Bonds — under 3 years	—	—	.5	.9	.1	.6	.8
– 3 years and over	—	—	10.1	13.5	1.5	9.1	13.0
Total	—	—	10.6	14.4	1.6	9.7	13.8
Provincial Direct and Gtd. Sec.	—	12.7	12.3	17.4	3.5	12.4	17.8
Municipal Direct and Gtd. Sec.	—	17.7	6.4	7.0	.2	5.2	7.4
Trust Company G.I.C.'s	—	—	—	—	—	—	—
Commercial Paper	—	—	—	—	—	—	—
Corporate Bonds and Debentures	—	31.6	12.7	28.9	7.8	20.6	29.5
Canadian Equities:							
– Private	—	—	—	—	—	—	—
– Public — Common	—	38.0	49.7	16.3	53.8	32.3	46.2
– Preferred	—	—	3.3	.7	.2	.8	1.2
Total	—	38.0	53.0	16.9	54.0	33.1	47.3
Foreign Securities:							
– Bonds	—	—	4.2	2.0	.2	1.7	2.4
– Equities	—	—	.7	11.8	31.7	16.2	23.1
Total	—	—	4.9	13.8	32.0	17.9	25.5
Mortgages:							
– N.H.A.	—	—	—	—	—	—	—
– Other Residential	—	—	—	.4	—	.2	.3
– Commercial and Ind.	—	—	—	—	.8	.2	.3
Total	—	—	—	.4	.8	.4	.7
Mutual Investments	—	—	—	.1	—	—	—
Cash and Other Assets	—	—	.1	1.1	.1	.6	.9
Total⁽¹⁾	—	100.0	100.0	100.0	100.0	100.0	
Total Market Value of Assets⁽¹⁾		\$4.0 mn.	\$17.3 mn.	\$78.4 mn.	\$43.3 mn.		\$143.0 mn.

(1) Excluding real estate. The estimated values of assets shown in each size class are those derived by reweighting the sample information: the total therefore differs from that shown in Table IX, which is based on the unweighted results.

APPENDIX F

TABLE VI

AGENCY ACCOUNTS
Distribution of Assets, by Size of Account

	Under \$25 m.	\$25 m. to \$100 m.	\$100 m. to \$1 mn.	\$1 mn. to \$10 mn.	\$10 mn. and over	TOTAL	
	%	%	%	%	%	%	\$ millions
Govt. of Canada Direct and Gtd. Sec.							
– Treasury bills	—	—	.1	1.0	.5	.5	5.4
– Bonds – under 3 years	—	1.0	2.4	1.3	6.3	3.2	34.5
– 3 years and over	15.0	16.2	10.8	10.3	2.2	8.3	90.5
Total	15.0	17.3	13.3	12.6	9.0	12.0	130.4
Provincial Direct and Gtd. Sec.	7.3	12.3	8.4	9.4	3.8	7.5	81.3
Municipal Direct and Gtd. Sec. ....	.8	1.8	2.3	1.8	1.3	1.8	19.7
Trust Company G.L.C.'s	—	.9	2.0	3.5	1.6	2.2	24.5
Commercial Paper	—	—	—	.1	.2	.1	1.0
Corporate Bonds and Debentures	8.4	3.9	9.1	12.9	6.7	9.3	100.7
Canadian Equities:							
– Private	—	—	2.6	1.8	6.7	3.5	37.7
– Public – Common	18.9	51.2	50.1	43.4	10.3	35.6	388.0
– Preferred	19.3	3.9	6.1	4.1	.4	3.7	40.2
Total	38.3	55.0	58.9	49.3	17.4	42.8	465.9
Foreign Securities:							
– Bonds	—	.1	.5	.7	2.1	1.0	11.1
– Equities	—	2.8	2.2	7.3	49.7	18.4	200.7
Total	—	2.9	2.7	8.0	51.8	19.4	211.9
Mortgages:							
– N.H.A.	—	.5	.1	.1	—	.1	.9
– Other Residential	16.1	.8	.7	.2	—	.4	4.6
– Commercial and Ind.	—	.8	.1	—	.1	.1	1.0
Total	16.1	2.0	.9	.3	.1	.6	6.5
Mutual Investments	—	—	.2	.2	—	.1	1.4
Cash and Other Assets	14.3	3.9	2.3	1.9	8.2	4.2	45.3
Total ⁽¹⁾	100.0	100.0	100.0	100.0	100.0	100.0	
Total Market Value of Assets ⁽¹⁾	\$66.2 mn.		\$347.3 mn.	\$340.0 mn.	\$334.9 mn.		\$1,088.4 mn.

(1) Excluding real estate. The estimated values of assets shown are those derived by reweighting the sample results.

APPENDIX F

TABLE VII

ESTATES AND TESTAMENTARY TRUSTS

Percent distribution of assets at market values

Accounts classified by investment restrictions and degree of Trust Co. investment authority⁽¹⁾

	INVESTMENT RESTRICTIONS				All Accounts	TRUST COMPANY AUTHORITY		
	Limited to Trustee Act Invest- ments	Limited to Federal Ins. Act Invest- ments	No Restric- tions	Other		Company is Sole Executor	Responsi- bility shared with other Executors	Company has no authority
	%	%	%	%	%	%	%	%
Government of Canada Direct and Guaranteed Securities:								
– Treasury Bills	—	—	.2	—	.1	.5	.1	—
– Bonds: under 3 years.....	1.3	1.0	1.4	.2	1.2	2.2	1.0	.2
3 years and over.....	24.7	10.3	5.4	8.2	10.2	9.1	7.6	3.2
Total	26.0	11.3	7.0	8.5	11.5	11.8	8.7	3.5
Provincial Direct and Guaranteed Securities	27.1	10.6	8.3	16.4	12.5	13.2	9.0	24.7
Municipal Direct and Guaranteed Securities	6.1	6.0	3.3	8.9	3.0	3.2	3.8	10.7
Trust Company G.I.C.'s .....	.2	.3	.7	.6	.9	.3	.8	.3
Commercial Paper	—	—	.9	—	.3	.9	.7	—
Corporate Bonds and Debentures.....	3.8	4.3	8.1	33.4	7.0	9.5	6.9	9.3
Canadian Equities:								
– Private.....	5.2	6.7	8.2	.2	5.6	10.4	6.9	.5
– Public Common.....	19.4	49.0	48.5	23.5	44.9	38.8	49.3	5.8
– Preferred .....	.8	4.4	3.5	1.7	4.1	2.4	3.7	.3
Total	25.5	60.1	60.2	25.4	54.6	51.7	59.9	6.6
Foreign Securities:								
– Bonds.....	.7	—	1.2	—	.6	.5	.4	18.6
– Equities.....	1.7	1.0	7.4	.8	4.2	3.9	6.4	23.4
Total	2.4	1.0	8.6	.8	4.8	4.5	6.8	42.1
Mortgages:								
– N.H.A.	—	—	.2	—	.1	.3	.1	—
– Other Residential.....	4.8	2.5	.8	.4	1.8	2.7	.9	.5
– Commercial and Industrial	1.5	.6	.4	4.3	.7	.9	.4	—
Total	6.3	3.1	1.3	4.7	2.7	3.9	1.4	.5
Mutual Investments .....	.2	.4	.1	.1	.2	.2	.1	.3
Cash and other assets	2.5	2.9	1.4	1.3	2.4	.9	1.9	2.2
Total ⁽²⁾	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Market Value of Assets (\$ millions)	37.1	22.0	277.0	4.8	340.9	94.5	235.3	11.1
Number of Accounts	86	33	275	10	404	130	262	12

(1) The market values and numbers of accounts shown are those in the original sample. Sample information has been re-weighted to take account of the size structure of accounts in order to derive the distribution of assets shown for 'all accounts'. Although it has not been possible to re-weight the results in other columns, the data shown are broadly representative of the structure of accounts and the distribution of assets within them.

(2) Excluding real estate.

APPENDIX F

TABLE VIII

PERSONAL LIVING TRUSTS

Percent distribution of assets at market values

Accounts classified by investment restrictions and degree of Trust Co. investment authority⁽¹⁾

	INVESTMENT RESTRICTIONS				All Accounts	TRUST COMPANY AUTHORITY		
	Limited to Trustee Act Invest- ments	Limited to Federal Ins. Act Invest- ments	No Restric- tions	Other		Company is Sole Executor	Responsi- bility shared with other Executors	Company has no authority
	%	%	%	%	%	%	%	%
Government of Canada Direct and Guaranteed Securities:								
– Treasury Bills	—	—	—	—	—	.1	—	—
– Bonds — under 3 years	3.3	2.3	1.4	—	1.6	1.3	1.8	2.4
– 3 years and over	11.2	6.3	5.4	2.1	6.6	8.7	3.9	4.7
Total	14.5	8.6	6.9	2.1	8.2	10.0	5.7	7.1
Provincial Direct and Guaranteed Securities	19.5	13.9	7.8	2.3	10.1	9.6	7.8	16.3
Municipal Direct and Guaranteed Securities	6.0	2.8	1.0	—	2.0	1.9	1.4	—
Trust Company G.I.C.'s	—	.7	—	—	—	—	.1	—
Commercial Paper	—	—	—	—	—	—	—	—
Corporate Bonds and Debentures	2.2	2.2	8.3	7.3	9.5	12.8	3.9	4.4
Canadian Equities:								
– Private	—	—	1.3	—	1.9	.5	1.8	—
– Public Common	50.5	52.5	39.1	69.0	45.3	48.9	36.4	17.4
– Preferred .....	.5	1.8	4.7	18.5	3.8	2.9	6.0	.5
Total	51.0	54.3	45.1	87.5	51.0	52.3	44.1	17.9
Foreign Securities:								
– Bonds	—	—	6.2	—	2.5	1.0	8.1	15.9
– Equities .....	.3	16.3	20.7	—	12.9	10.5	22.8	37.3
Total .....	.3	16.3	26.9	—	15.4	11.5	30.9	53.2
Mortgages:								
– N.H.A.	—	—	—	—	—	—	—	—
– Other Residential	5.0	—	.5	.8	1.1	1.1	.9	—
– Commercial and Industrial .....	.4	—	—	—	—	—	.1	—
Total	5.4	—	.5	.8	1.1	1.1	1.0	—
Mutual Investments .....	.4	—	.1	—	.1	.1	.2	—
Cash and other assets .....	.8	1.3	3.3	—	2.6	.7	5.0	1.0
Total ⁽²⁾	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Market Value of Assets (\$ millions)....	8.6	.9	76.5	.9	86.9	36.7	45.8	4.4
Number of Accounts	12	3	80	2	97	52	39	6

(1) The market values and numbers of accounts shown are those in the original sample. Sample information has been re-weighted to take account of the size structure of accounts in order to derive the distribution of assets shown for 'all accounts'. Although it has not been possible to re-weight the results in other columns, the data shown are broadly representative of the structure of accounts and the distribution of assets within them.

(2) Excluding real estate.

APPENDIX F

TABLE IX

INSTITUTIONAL TRUSTS

Percent distribution of assets at market value

Accounts classified by investment restrictions and degree of Trust Co. investment authority⁽¹⁾

	INVESTMENT RESTRICTIONS				All Accounts	TRUST COMPANY AUTHORITY		
	Limited to Trustee Act Invest- ments	Limited to Federal Ins. Act Invest- ments	No Restric- tions	Other		Company is sole Executor	Responsi- bility shared with other Executors	Company has no Authority
	%	%	%	%	%	%	%	%
Government of Canada Direct and Guaranteed Securities:								
– Treasury Bills	—	—	—		—	—	—	—
– Bonds: under 3 years	1.1	1.2	.1		.6	.2	1.2	.6
3 years and over.....	27.8	16.1	1.7		9.1	3.3	28.3	8.7
Total	28.9	17.2	1.8		9.7	3.4	29.5	9.4
Provincial Direct and Guaranteed Securities.....	50.8	16.9	3.7		12.4	8.0	49.8	9.4
Municipal Direct and Guaranteed Securities.....	20.2	7.2	.6		5.2	1.2	20.7	3.9
Trust Company G.I.C.'s	—	—	—		—	—	—	—
Commercial Paper	—	—	—		—	—	—	—
Corporate Bonds and Debentures	—	43.9	8.0		20.6	18.1	—	23.0
Canadian Equities:								
– Private	—	—	—		—	—	—	—
– Public Common	—	12.4	48.0		32.3	43.9	—	30.7
– Preferred.....	—	.8	.5		.8	.5	—	.6
Total	—	13.2	48.5		33.1	44.4	—	31.3
Foreign Securities:								
– Bonds	—	—	2.4		1.7	.5	—	1.8
– Equities	—	—	33.8		16.2	23.0	—	19.9
Total	—	—	36.2		17.9	23.6	—	21.7
Mortgages:								
– N.H.A.	—	—	—		—	—	—	—
– Other Residential	—	.7	—		.2	—	—	.4
– Commercial and Industrial	—	—	.5		.2	1.2	—	—
Total	—	.7	.5		.4	1.2	—	.4
Mutual Investments	—	.1	—		—	—	—	—
Cash and other assets	—	.8	.6		.6	.1	—	.9
Total ⁽²⁾	100.0	100.0	100.0		100.0	100.0	100.0	100.0
Market Value of Assets (\$ millions)....	8.1	39.5	63.3	nil	110.9	27.5	7.7	75.7
Number of accounts.....	2	9	11	nil	22	4	1	17

(1) The market values and numbers of accounts shown are those in the original sample. Sample information has been re-weighted to take account of the size structure of accounts in order to derive the distribution of assets shown for 'all accounts'. Although it has not been possible to re-weight the results in other columns, the data shown are broadly representative of the structure of accounts and the distribution of assets within them.

(2) Excluding real estate.

APPENDIX F

TABLE X

AGGREGATE TRADING ACTIVITY BY SIZE AND TYPE OF ACCOUNT⁽¹⁾

	Under \$25 m.		\$25 m. - \$100 m.		\$100 m. - \$1 mn.		\$1 mn. - \$10 mn.		\$10 mn. & over		TOTAL	
	Pur- chases	Sales	Pur- chases	Sales	Pur- chases	Sales	Pur- chases	Sales	Pur- chases	Sales	Pur- chases	Sales
	%	%	%	%	%	%	%	%	%	%	%	%
Estates and Testa- mentary Trusts.....	X	9	5	2	5	4	7	6	7	6	5	5
Personal Living Trusts	1	6	1	2	5	6	6	5	72	74	10 ⁽²⁾	11 ⁽²⁾
Institutional Trusts	n.a	n.a	23	X	1	2	3	3	2	2	3	2
Agency Accounts.....	4	1	1	3	8	20	9	7	12	6	9	10

(1) Total market purchases and sales during the 6 months prior to the reporting date are expressed as a percentage of the market value of assets on that date.

(2) Purchases and sales in all personal living trusts other than one unusually active large account each averaged 5% of assets.

X: Less than 1/2%.

n.a: No accounts in this category.

APPENDIX F

TABLE XI

DETAILS OF TRADING BY TYPE OF ACCOUNT⁽¹⁾

	Estates and Testamentary Trusts		Personal Trusts		Institutional Trusts		Agency Accounts	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
	%	%	%	%	%	%	%	%
Govt. of Canada Direct and Gtd. Sec.								
– Treasury bills	85	29	—	—	—	—	261	33
– Bonds – under 3 years	6	26	21	11	—	22	10	4
– 3 years and over	2	4	7	2	—	2	4	9
Total	3	7	9	4	—	3	16	9
Provincial Direct and Gtd.	6	4	13	6	4	5	10	32
Municipal Direct and Gtd.	7	2	7	—	5	0	13	23
Trust Company G.I.C.'s	87	5	*	*	—	—	79	44
Commercial Paper	187	130	—	—	*	—	179	202
Corp. Bonds and Debentures	5	4	6	5	7	5	7	14
Canadian Equities:								
– Private	—	—	—	—	—	—	0	0
– Public – Common	2	4	4	6	1	1	4	8
– Preferred	10	3	3	1	12	—	6	13
Total	3	4	4	5	2	1	4	8
Foreign Securities:								
– Bonds	14	17	93	80	9	1	8	17
– Equities	2	6	9	7	—	1	11	2
Total	3	7	22	19	1	1	11	3
Mortgages:								
– N.H.A.	28	1	—	—	—	—	—	6
– Other Residential	13	1	6	—	—	—	1	1
– Comm. and Indust.	6	—	—	—	—	7	—	—
Total	12	1	6	—	—	3	1	2
Mutual Investments	—	2	—	—	—	—	9	12
Total ⁽²⁾	5	5	10	11	3	2	9	10

(1) "Trading" includes only market purchases and sales of assets for the accounts: it does not include acquisitions of new accounts, partial distributions to beneficiaries or disposals on maturity of investments. Market purchases and sales during the 6 months preceding the reporting date are expressed as a percentage of asset holdings (at market values) on the reporting date.

(2) Excluding real estate.

* Trading ratios cannot be derived because the accounts which were active had disposed of the relevant assets by the reporting date.

APPENDIX F

TABLE XII

ESTATES, TESTAMENTARY TRUSTS AND PERSONAL LIVING TRUSTS

Characteristics of Accounts, classified by the date of their establishment.

(percent distribution of the numbers of accounts opened in each period.)

Date of Establishment	Limited to Trustee Act Investments		Limited to Federal Insurance Act Investments		No Investment Restrictions		Other Investment Restrictions		All Accounts		Number of Accounts established in Each Period
	Trust Co. Sole Executor	Other	Trust Co. Sole Executor	Other	Trust Co. Sole Executor	Other	Trust Co. Sole Executor	Other	Trust Co. Sole Executor	Other	
1929 or earlier	18.9%	13.5%	—%	—%	35.1%	27.0%	4.1%	1.4%	58.1%	41.9%	74
1930 to 1944.....	15.1	14.3	.8	3.2	19.0	45.2	.8	1.6	35.7	64.3	126
1945 to 1954.....	8.3	7.6	6.1	6.1	18.2	53.0	—	.8	32.6	67.5	132
1955 to 1959.....	1.8	2.7	1.8	7.2	20.7	63.1	—	2.7	24.3	75.7	111
1960 to mid-1962	10.3	10.3	5.2	3.4	22.4	46.6	—	1.7	37.9	62.1	58

APPENDIX G

LIFE INSURANCE COMPANIES

SELECTED STATISTICS

TABLE I
LIFE INSURANCE COMPANIES CASH AND SHORT-TERM ASSETS⁽¹⁾

— \$ millions, month-end —

	Net Cash Position Excluding interest bear- ing deposits	Interest bearing deposits	Canadian Treasury Bills	Other Canadian short-term paper	Total Cash & short-term assets		Net Cash Position Excluding interest bear- ing deposits	Interest bearing deposit	Canadian Treasury Bills	Other Canadian short-term paper	Total Cash & short-term assets
1951 Dec. .	31.7	.1	—	5.5	37.3						
1952 Jan. .	30.3	.1	—	5.0	35.4	1953 Jan. .	26.6	.1	—	11.3	38.0
Feb. .	33.5	.1	—	7.0	40.6	Feb. .	20.3	.1	.5	18.0	38.9
Mar. .	30.9	.1	—	6.3	37.3	Mar. .	14.5	.1	—	13.3	27.9
Apr. .	28.1	.1	—	6.3	34.5	Apr. .	16.6	.1	—	11.9	28.6
May .	24.1	.1	—	7.2	31.4	May .	19.4	.1	1.0	15.2	33.7
June .	22.2	.1	—	5.4	27.7	June .	12.8	.1	1.5	20.6	35.0
July .	19.7	.1	—	5.8	25.6	July .	19.7	.1	—	15.3	35.1
Aug. .	17.9	.1	—	4.7	22.7	Aug. .	16.1	.1	—	15.2	31.4
Sept. .	23.6	.1	—	7.1	30.8	Sept. .	14.7	.1	—	14.0	28.8
Oct. .	25.6	.1	1.0	7.4	34.1	Oct. .	16.5	.1	2.5	12.0	31.1
Nov. .	26.6	.1	—	8.7	35.4	Nov. .	21.0	.1	5.0	8.0	34.1
Dec. .	36.4	.1	—	3.3	39.8	Dec. .	23.4	.1	—	3.5	27.0
1954 Jan. .	26.0	.1	—	4.4	30.5	1955 Jan. .	31.0	.1	25.6	1.0	57.7
Feb. .	26.6	.1	—	4.9	31.6	Feb. .	34.4	.1	24.9	1.7	61.1
Mar. .	25.0	.1	—	4.4	29.5	Mar. .	28.6	.1	18.9	1.7	49.3
Apr. .	18.0	.1	—	3.9	22.0	Apr. .	28.3	.1	29.2	1.0	58.6
May .	26.5	.1	1.1	7.4	35.1	May .	17.7	.1	25.5	1.4	44.7
June .	23.3	.1	—	8.4	31.8	June .	16.3	.1	22.5	3.5	42.4
July .	25.0	.1	.8	8.4	34.3	July .	21.7	.1	24.9	2.5	49.2
Aug. .	29.8	.1	7.0	7.4	44.3	Aug. .	20.0	.1	42.7	—	62.8
Sept. .	19.5	.1	15.4	5.6	40.6	Sept. .	18.1	.1	59.3	—	77.5
Oct. .	19.9	.1	13.4	3.5	36.9	Oct. .	20.4	.1	58.5	—	79.0
Nov. .	16.5	.1	12.9	1.0	30.5	Nov. .	18.3	.1	45.7	—	64.1
Dec. .	24.9	.1	19.4	1.0	45.4	Dec. .	26.4	.1	49.8	.5	76.8
1956 Jan. .	16.1	.1	40.5	1.0	57.7	1957 Jan. .	28.0	.1	8.0	4.4	40.5
Feb. .	16.9	.1	26.7	1.0	44.7	Feb. .	17.2	.1	11.5	5.2	34.0
Mar. .	23.9	.1	48.4	4.3	76.7	Mar. .	24.1	.1	10.1	6.0	40.3
Apr. .	30.1	.1	51.3	9.7	91.2	Apr. .	17.3	.1	8.2	6.4	32.0
May .	19.3	.1	40.9	5.3	65.6	May .	13.3	.1	13.2	10.5	37.1
June .	14.3	.1	23.5	8.8	46.7	June .	.8	.8	15.5	4.5	21.6
July .	24.1	.1	9.7	7.3	41.2	July .	2.9	.8	14.0	.8	18.5
Aug. .	21.8	.1	16.2	12.7	50.8	Aug. .	7.7	.8	18.1	2.4	29.0
Sept. .	17.4	.1	22.9	10.3	50.7	Sept. .	10.5	.8	10.5	4.9	26.7
Oct. .	23.2	.1	14.9	5.6	43.8	Oct. .	15.2	.8	19.8	2.2	38.0
Nov. .	24.5	.1	15.5	3.5	43.6	Nov. .	16.0	.8	27.8	3.3	47.9
Dec. .	24.5	.1	24.0	.5	49.1	Dec. .	24.7	.8	20.0	1.3	46.8
1958 Jan. .	27.0	.8	24.5	6.1	58.4						
Feb. .	21.2	.8	22.0	8.8	52.8						
Mar. .	27.7	.8	28.5	8.2	65.2						
Apr. .	24.7	.8	45.8	12.7	84.0						
May .	25.5	.8	48.5	14.0	88.8						
June .	26.4	.8	30.5	10.1	67.8						
July .	39.7	.8	24.5	10.1	75.1						
Aug. .	24.3	.8	29.3	14.8	69.2						
Sept. .	30.5	1.1	38.5	18.2	88.3						
Oct. .	30.2	1.1	36.4	19.0	86.7						
Nov. .	35.2	1.1	37.0	21.4	94.7						
Dec. .	50.8	1.1	23.5	1.4	76.8						

(1) Includes 12 life insurance companies having 74.8% of net premium income in 1961.

TABLE I (Cont'd.)
LIFE INSURANCE COMPANIES CASH AND SHORT-TERM ASSETS

— \$ millions, month end —

	Net cash position excluding interest-bearing deposits	Interest-bearing deposits	Canadian Treasury Bills	Canadian Short-term paper				Total cash & short-term assets
				Finance Co. Paper	Trust Co. G.I.C.'s	Other corporate paper	Total	
1958 Dec.	50.8	1.1	23.5	1.0	.4	—	1.4	76.8
1959 Jan.	33.9	1.1	30.6	3.1	.9	12.8	16.8	82.4
Feb.	38.0	1.1	32.0	7.1	.9	18.3	26.3	97.4
Mar.	31.2	1.1	29.9	16.2	1.4	21.4	39.0	101.2
Apr.	27.6	1.1	32.3	19.2	.9	21.4	41.5	102.5
May.	16.3	1.1	40.1	20.5	—	11.4	31.9	89.4
June.	12.1	1.1	41.0	16.0	—	6.0	21.9	76.2
July.	10.3	1.1	32.1	12.4	—	1.6	14.0	46.5
August.	14.3	1.1	43.1	13.2	—	1.4	14.5	73.1
Sept.	11.9	1.1	44.6	12.5	—	4.5	17.0	74.6
Oct.	12.2	1.1	34.7	8.7	—	3.7	12.4	60.4
Nov.	19.4	1.1	35.6	7.2	—	1.7	8.9	65.0
Dec.	35.9	1.1	32.7	1.0	—	1.9	2.9	72.6
1960 Jan.	21.2	1.1	30.2	1.2	1.0	1.5	3.7	56.2
Feb.	20.9	1.1	33.4	3.2	2.0	4.1	9.3	64.7
Mar.	24.3	2.6	33.3	10.3	3.0	6.5	19.8	80.0
Apr.	21.6	2.6	33.4	10.3	3.0	2.5	15.8	73.4
May.	16.5	2.6	35.8	11.7	5.0	5.6	22.3	77.2
June.	13.0	1.8	22.2	12.3	1.0	5.1	18.4	55.4
July.	21.9	1.0	30.3	11.4	—	5.8	17.1	43.1
Aug.	19.3	.8	20.5	10.2	—	3.2	13.4	54.0
Sept.	20.6	1.8	24.3	10.6	1.0	6.3	17.9	64.6
Oct.	20.7	1.8	23.1	6.2	1.0	5.4	12.6	58.2
Nov.	20.0	2.2	27.6	6.6	1.0	5.7	13.3	63.1
Dec.	36.6	3.0	28.3	3.9	1.0	3.0	7.9	75.8
1961 Jan.	26.1	3.3	42.6	9.3	2.0	9.5	20.8	92.8
Feb.	21.4	4.1	41.3	8.8	3.0	12.7	24.5	91.3
Mar.	22.2	4.5	44.3	11.3	3.0	10.0	24.3	95.3
Apr.	24.3	4.9	43.4	7.6	3.3	10.3	21.1	93.8
May.	16.1	8.2	37.7	8.1	3.3	11.5	22.9	84.9
June.	12.2	6.9	39.8	9.1	1.3	12.8	23.2	82.1
July.	14.0	7.8	31.7	6.1	—	14.9	20.9	74.5
Aug.	17.7	8.2	36.1	8.7	—	15.4	24.0	86.1
Sept.	22.5	8.2	37.8	7.3	—	15.3	22.6	91.1
Oct.	24.8	6.8	37.6	6.7	—	11.2	17.9	87.1
Nov.	19.8	3.6	27.9	6.0	—	14.5	20.5	71.8
Dec.	30.3	3.7	18.5	2.3	—	8.4	10.6	63.2

TABLE II
CLASSIFICATION OF LIFE INSURANCE COMPANY BOND HOLDINGS
BY TERM TO MATURITY⁽¹⁾

— \$ millions —

A. Government of Canada Direct and Guaranteed Bonds

	2 yrs. & under	over 2 yrs. to 5 yrs.	over 5 yrs. to 10 yrs.	over 10 yrs.	Total
End of:—					
1951 Dec.	4.2	23.6	384.4	480.7	892.9
1952 June	2.5	40.4	509.6	321.7	874.2
1952 Dec.	3.7	37.1	577.0	225.2	843.0
1953 June	7.2	30.5	566.9	200.1	804.7
Dec.	8.1	27.2	666.8	121.6	823.7
1954 June	7.6	87.9	438.1	197.5	731.1
Dec.	4.5	62.5	355.8	253.3	676.1
1955 June	27.4	140.9	250.8	232.0	651.1
Dec.	32.8	123.2	240.8	210.3	607.2
1956 June	23.3	106.4	210.1	194.6	534.3
Dec.	18.8	85.3	260.9	124.9	489.9
1957 June	45.4	144.2	156.0	116.8	462.4
Dec.	33.4	140.1	143.6	111.6	428.7
1958 June	60.0	111.8	121.1	153.7	446.5
Dec.	39.2	15.4	29.0	370.8	454.4
1959 June	56.3	5.9	31.9	394.1	488.1
Dec.	34.1	21.2	34.6	392.5	482.3
1960 June	37.3	51.2	21.1	412.4	521.9
Dec.	27.8	51.3	4.2	456.6	540.0
1961 June	48.8	47.5	6.9	432.9	536.0
Dec.	61.7	36.5	6.6	417.0	521.8

B. Provincial Direct and Guaranteed Bonds

As at Dec. 31:—					
1951.....	2.3	11.3	50.5	137.8	201.9
1952.....	4.6	12.5	53.1	157.2	227.4
1953.....	5.8	18.1	45.9	163.9	233.6
1954.....	4.4	24.6	39.3	173.7	242.1
1955.....	7.7	33.9	35.2	161.8	238.6
1956.....	11.6	21.3	40.0	184.3	257.3
1957.....	11.8	15.9	57.0	173.4	258.1
1958.....	16.7	13.3	61.0	172.3	263.3
1959.....	11.2	17.7	83.1	189.2	301.2
1960.....	4.2	23.7	74.5	235.1	337.5
1961.....	7.7	25.7	100.1	438.7	572.2

C. Canadian Corporate Bonds

1951.....	14.0	30.1	120.4	763.1	927.6
1952.....	16.8	47.3	119.4	824.0	1,007.5
1953.....	12.8	46.5	138.7	929.5	1,127.5
1954.....	16.9	49.0	146.0	1,006.3	1,218.3
1955.....	26.3	55.4	146.3	1,021.6	1,249.5
1956.....	28.0	60.4	191.5	1,095.3	1,375.2
1957.....	21.5	75.8	238.5	1,110.2	1,446.1
1958.....	42.3	69.8	276.5	1,117.4	1,506.1
1959.....	42.7	86.6	298.6	1,103.8	1,531.8
1960.....	34.3	84.5	319.5	1,125.1	1,563.4
1961.....	45.0	101.0	340.4	999.9	1,486.3

(1) Includes 12 companies having 74.8% of total net premium income in 1961. The totals shown differ slightly from those for the same 12 companies published by the Bank of Canada.

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TABLE III
12 LIFE INSURANCE COMPANIES: HOLDINGS OF MORTGAGES IN CANADA

— \$ millions, month-end —

	1952			1953			1954			1955		
	N.H.A. Mortgages	Conventional Mortgages	Total	N.H.A. Mortgages	Conventional Mortgages	Total	N.H.A. Mortgages	Conventional Mortgages	Total	N.H.A. Mortgages	Conventional Mortgages	Total
Jan.....	367.6	498.8	866.4	486.9	516.3	1,003.2	603.8	559.0	1,162.8	759.0	633.7	1,392.7
Feb.....	370.9	476.1	847.0	494.6	517.8	1,012.4	610.3	562.2	1,172.5	771.4	637.5	1,408.9
Mar.....	399.2	493.8	893.0	503.2	519.0	1,022.3	619.7	565.8	1,185.5	781.9	643.4	1,425.3
Apr.....	404.2	494.8	899.0	510.2	520.9	1,031.1	627.0	569.2	1,196.2	791.8	647.5	1,439.3
May.....	407.6	498.4	906.0	518.4	524.2	1,042.5	635.4	572.8	1,208.2	803.5	653.0	1,456.5
June.....	413.4	501.7	915.2	528.3	528.3	1,056.6	646.8	578.4	1,225.1	819.6	660.0	1,479.7
July.....	422.6	505.6	928.1	539.3	532.4	1,071.7	663.0	584.1	1,247.1	838.4	668.4	1,506.8
Aug.....	430.7	508.1	938.9	550.0	534.5	1,084.6	672.9	592.3	1,265.2	859.9	677.1	1,537.0
Sept.....	443.2	510.6	953.8	556.0	544.3	1,100.3	689.2	601.9	1,291.1	883.4	688.6	1,575.0
Oct.....	453.4	513.6	967.0	569.0	546.4	1,115.4	704.1	609.3	1,313.4	903.9	699.5	1,603.4
Nov.....	464.4	515.5	979.9	581.8	550.3	1,132.1	725.4	618.9	1,344.3	924.2	717.2	1,641.4
Dec.....	477.4	516.0	993.4	594.1	556.6	1,150.6	742.3	628.2	1,370.4	941.5	719.6	1,661.1
1956												
Jan.....	957.6	726.7	1,684.3	1,123.7	871.2	1,994.9	1,187.6	1,000.2	2,187.8	1,238.2	1,098.0	2,336.1
Feb.....	964.9	735.1	1,700.0	1,130.2	877.8	2,008.0	1,186.6	1,007.8	2,194.4	1,241.7	1,105.4	2,347.1
Mar.....	973.5	744.3	1,717.8	1,134.7	887.0	2,021.6	1,185.4	1,015.8	2,201.2	1,243.7	1,110.1	2,353.9
Apr.....	979.6	753.1	1,732.7	1,137.7	898.9	2,036.6	1,183.0	1,021.4	2,204.3	1,244.7	1,116.4	2,361.0
May.....	988.7	762.0	1,750.7	1,143.0	909.0	2,052.0	1,182.3	1,032.2	2,214.5	1,248.4	1,128.8	2,377.2
June.....	1,000.8	767.3	1,768.0	1,129.7	921.0	2,050.7	1,185.6	1,039.2	2,224.9	1,256.1	1,141.8	2,397.9
July.....	1,016.6	787.7	1,804.3	1,159.8	934.6	2,094.4	1,189.8	1,047.3	2,237.1	1,264.7	1,159.4	2,424.1
Aug.....	1,037.1	807.0	1,844.1	1,168.4	946.7	2,115.1	1,198.2	1,056.2	2,254.4	1,274.0	1,195.7	2,469.8
Sept.....	1,056.9	820.8	1,877.9	1,175.8	955.9	2,131.8	1,205.0	1,074.8	2,279.8	1,282.5	1,194.2	2,476.7
Oct.....	1,074.6	834.4	1,909.0	1,183.1	966.5	2,149.6	1,215.5	1,073.9	2,289.5	1,289.6	1,214.9	2,504.5
Nov.....	1,095.4	847.1	1,942.6	1,184.1	974.7	2,158.7	1,225.3	1,082.8	2,308.1	1,295.4	1,227.4	2,522.7
Dec.....	1,112.2	859.9	1,972.1	1,188.6	992.7	2,181.2	1,234.4	1,096.7	2,331.1	1,300.5	1,249.0	2,549.5
Estimated Distribution of Conventional Mortgage Holdings(1)												
	1960			1961			Year-end:—			Total		
	N.H.A. Mortgages	Conventional Mortgages	Total	N.H.A. Mortgages	Conventional Mortgages	Total	1952.....	Residential	Other	1952.....	1953.....	1954.....
Jan.....	1,300.7	1,264.2	2,565.0	1,332.5	1,464.7	2,797.2	1,462.4	335.1	180.9	516.0	556.6	628.2
Feb.....	1,299.3	1,268.4	2,567.8	1,336.3	1,462.4	2,798.7	1,470.8	354.7	201.9	556.6	628.2	719.6
Mar.....	1,297.9	1,287.5	2,585.5	1,343.0	1,470.8	2,813.8	1,481.3	392.0	236.2	719.6	859.9	992.7
Apr.....	1,296.6	1,302.1	2,598.7	1,348.1	1,481.3	2,829.4	1,489.1	459.4	260.2	859.9	1,096.7	1,249.0
May.....	1,324.7	1,315.7	2,640.4	1,355.6	1,498.0	2,853.6	1,498.0	688.6	408.1	1,096.7	1,249.0	1,445.8
June.....	1,297.9	1,333.3	2,631.2	1,366.8	1,498.0	2,864.8	1,505.6	796.9	548.9	1,445.8	1,575.9	1,759.9
July.....	1,299.0	1,349.1	2,648.1	1,376.9	1,505.6	2,882.5	1,515.5	896.9	634.4	1,575.9		
Aug.....	1,322.8	1,366.1	2,689.0	1,393.3	1,515.5	2,908.8	1,526.6	941.5				
Sept.....	1,307.1	1,387.4	2,694.5	1,408.8	1,526.6	2,935.5	1,538.0					
Oct.....	1,311.7	1,405.4	2,717.0	1,421.0	1,543.0	2,964.0	1,543.0					
Nov.....	1,319.1	1,423.2	2,742.2	1,435.4	1,554.5	2,989.9	1,554.5					
Dec.....	1,326.4	1,445.8	2,772.2	1,450.8	1,575.9	3,026.7	1,575.9					

(1) Based on a survey of 12 companies having 74.8% of net premium income in 1961. The annual classification of residential and other conventional mortgages has been estimated on the basis of partial returns. Totals shown in this table differ slightly from those published for the same twelve companies by the Bank of Canada.

TABLE IV
LIFE INSURANCE COMPANIES
Prime Conventional Residential Mortgage Rate⁽¹⁾

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Jan.	5.00%	5.70%	5.90%	6.05%	6.00%	5.95%	6.70%	6.95%	6.85%	7.30%	7.00%	7.00%	7.00%
Feb.	5.00	5.70	5.90	6.05	6.00	5.95	6.75	6.90	6.85	7.30	7.00	7.00	7.00
Mar.	5.00	5.70	5.90	6.05	6.00	6.00	6.75	6.80	6.85	7.30	7.00	7.00	7.00
Apr.	5.25	5.70	5.90	6.00	6.00	6.00	6.75	6.75	6.80	7.30	7.00	6.90	6.94
May.	5.50	5.80	5.90	6.00	5.75	6.00	6.75	6.75	6.80	7.25	7.00	6.80	6.91
June.	5.50	5.80	5.95	6.00	5.75	6.05	6.85	6.75	6.85	7.25	7.00	6.95	6.91
July.	5.62	5.85	5.95	6.00	5.75	6.15	6.85	6.75	6.85	7.15	7.00	7.00	6.91
Aug.	5.62	5.85	5.95	6.00	5.70	6.35	6.90	6.75	6.95	7.15	7.00	7.00	7.00
Sept.	5.75	5.75	6.05	6.00	5.80	6.40	7.00	6.75	7.20	7.10	7.00	7.00	7.00
Oct.	5.75	5.80	6.05	6.00	5.90	6.55	7.00	6.80	7.20	7.00	7.00	7.00	7.00
Nov.	5.75	5.80	6.10	6.00	5.95	6.65	7.00	6.80	7.25	7.00	7.00	7.00	7.00
Dec.	5.75	5.80	6.10	6.00	5.95	6.65	6.95	6.80	7.25	7.00	7.00	7.00	7.00

(1) Average prime rate on new approvals for six life insurance companies.

TABLE V
LIFE INSURANCE COMPANIES: AMOUNTS ON DEPOSIT IN CANADA^(a)
— \$ millions —

	March 31	June 30	Sept. 30	Dec. 31
1952	191.4	191.7	192.8	199.5
1953	199.7	199.3	200.4	206.0
1954	206.5	207.2	212.0	216.6
1955	217.9	219.5	221.8	230.2
1956	232.5	234.2	235.8	243.1
1957	243.7	244.2	245.6	253.2
1958	255.3	257.7	260.9	271.1
1959	273.7	276.1	278.3	287.0
1960	243.9	291.1	295.6	307.9
1961	313.1	318.2	325.1	338.1

(a) Includes 12 companies having 74.8% of net premium income in 1961. Includes dividends held on deposit.

APPENDIX H

SURVEY OF THE CORPORATE PAPER MARKET

APPENDIX H

SURVEY OF THE CORPORATE PAPER MARKET

The Commission's survey covered issuers of market notes with original terms of one year or less other than sales finance companies and governments.⁽¹⁾ A list of companies was prepared from information obtained in our survey of corporate response to monetary policy, supplemented by discussions with investment dealers active in the short-term market.

On June 30, 1963, 51 borrowers had paper worth \$307 million outstanding in the Canadian market.

	Number of borrowers	Amount outstanding (\$ millions)
Grain dealers	6	67.4
Retailers	4	47.3
Oil and Gas Companies ...	4	19.7
Food and Beverage Companies	16	80.3
Other ⁽²⁾	21	92.2
Total	51	306.8

There has been a good deal of variation in the calls made on the market by individual borrowers in response to changes in the relative cost and availability of short-term funds from other sources – principally the chartered banks – and as a result of the seasonal and other patterns of their borrowing requirements. Although no more than 52 borrowers had paper outstanding at any of the quarter-end dates covered in the survey, 70 have made use of the market at one time or another. A few companies appear to have borrowed for a period and then withdrawn from the market, but in most cases those who have once raised funds by issuing short-term paper continue to do so as their needs and the relative cost of funds dictate. Thus 30 borrowers were in the market at each quarter-end from mid-1961 to mid-1963 and have accounted for a high proportion of total borrowings. Although a substantial share of Canadian corporate paper may be held by non-residents, very few Canadian firms have issued paper denominated in foreign currencies.

(1) Market borrowing by some finance companies which are wholly-owned subsidiaries of retail or manufacturing companies is included. An important exception is General Motors Acceptance Corporation which is included with independent finance companies in other published data and is therefore not in this corporate paper survey.

(2) Principally manufacturing companies but also includes a few construction companies.

Corporate Paper Survey

	Corporate Paper			Canadian Bank Loans ⁽³⁾
	Number of borrowers ⁽¹⁾	Canadian dollars	Other currencies ⁽²⁾	
Month-end				
1954 Dec.	7	20.8	6.8	215.5
1955 Mar.	7	37.3	6.4	184.2
June	6	36.4	5.8	153.7
Sept.	7	29.1	5.1	203.6
Dec.	8	27.7	4.0	230.3
1956 Mar.	8	35.2	3.4	224.1
June	7	37.2	—	231.6
Sept.	8	52.9	3.3	251.0
Dec.	9	28.6	3.3	299.8
1957 Mar.	10	27.6	—	312.0
June	9	20.7	—	325.7
Sept.	8	28.5	—	312.6
Dec.	9	24.0	2.3	355.7
1958 Mar.	11	61.5	2.1	279.4
June	16	105.7	—	213.3
Sept.	21	151.6	1.8	242.9
Dec.	22	98.5	—	279.6
1959 Mar.	23	121.6	1.8	237.0
June	23	89.2	1.8	282.9
Sept.	17	85.6	1.8	358.2
Dec.	17	92.9	1.8	366.2
1960 Mar.	20	143.0	1.7	306.9
June	30	137.0	2.9	295.4
Sept.	35	187.3	2.9	284.6
Dec.	33	162.8	3.0	338.1
1961 Mar.	40	235.4	2.7	306.0
June	39	192.0	1.7	272.6
Sept.	42	265.8	4.6	235.5
Dec.	45	226.8	4.4	262.9
1962 Mar.	52	281.9	4.8	213.4
June	41	208.1	17.9	207.1
Sept.	41	225.7	38.0	261.1
Dec.	47	267.1	22.4	291.1
1963 Mar.	48	307.3	15.7	222.1
June	51	306.8	9.6	229.9

(1) The number of companies having paper outstanding on the date shown.

(2) Canadian dollar equivalents.

(3) Bank borrowing by all companies which have issued corporate paper. There is understatement in the earlier years because some companies only reported bank loans from the date of their first corporate paper borrowings.

APPENDIX I

**SOURCES OF FINANCE FOR INVESTMENT
DEALER INVENTORIES**

APPENDIX I SOURCES OF FINANCE FOR INVESTMENT DEALER INVENTORIES
(\$ Millions)

	Bank of Canada	Chartered Banks		Other Lenders (1)				
	Re-purchase Agreements	Day Loans	Call Loans(2)	On the Security of:—				Total
				Treasury Bills & Other G. of C. up to 90 Days(3)	G. of C. 91 Days to 3 Years(3)	G. of C. Over 3 Years(4)	All Other Securities(4)	
1960 — Nov. 30	5	115	74	106	52	48		206
Dec. 7	—	99	69	108	44	43		194
14	—	122	72	126	31	43		200
21	—	137	82	91	23	44		158
28	—	117	75	101	30	42		172
1961 — Jan. 4	—	159	72	95	19	38		152
11	—	109	65	96	24	40		160
18	—	98	61	115	34	39		188
25	—	104	56	97	34	39		170
Feb. 1	—	182	74	95	20	18	30	163
8	—	126	51	102	21	22	28	173
15	—	132	55	102	28	28	33	190
22	17	106	51	114	31	25	32	203
Mar. 1	10	139	64	91	28	26	34	179
8	—	124	45	103	31	27	35	196
15	—	111	74	106	52	21	35	214
22	—	135	58	101	51	19	39	210
29	—	112	53	98	47	17	38	200
Apr. 5	3	118	55	91	39	14	38	182
12	4	78	45	96	49	17	41	202
19	—	78	59	114	44	11	43	213
26	—	85	48	102	50	9	43	204
May 3	—	160	51	66	31	4	36	136
10	—	127	46	67	31	4	36	138
17	—	121	53	76	41	5	35	158
24	—	111	54	81	51	6	37	175
31	8	108	45	84	64	5	34	187
June 7	—	133	45	76	54	11	34	175
14	—	130	40	84	61	7	38	190
21	—	107	48	101	43	8	34	186
28	—	143	47	110	64	12	36	222
July 5	—	171	53	97	56	13	36	203
12	—	110	56	94	57	18	37	206
19	—	139	45	82	58	22	40	203
26	—	137	46	95	42	20	37	194
Aug. 2	2	166	68	68	41	38	40	187
9	—	185	56	74	30	46	38	188
16	—	168	49	62	33	31	35	161
23	—	136	37	71	52	28	37	188
30	—	109	28	63	36	19	35	153
Sept. 6	—	154	32	74	48	15	38	175
13	14	140	28	61	43	11	39	154
20	—	243	41	56	42	32	40	170
27	23	196	42	61	52	23	41	178

APPENDIX I SOURCES OF FINANCE FOR INVESTMENT DEALER INVENTORIES (Cont'd.)
(\$ Millions)

	Bank of Canada	Chartered Banks		Other Lenders(1)				
	Re-purchase Agreements	Day Loans	Call Loans(2)	On the Security of:—				Total
				Treasury Bills & Other G. of C. up to 90 Days(3)	G. of C. 91 Days to 3 Years(3)	G. of C. Over 3 Years(4)	All Other Securities(4)	
1961 — Oct. 4	—	163	56	95	44	19	43	201
11	—	168	46	84	41	16	45	186
18	—	158	54	81	32	18	48	179
25	3	161	51	69	37	19	51	177
Nov. 1	—	198	59	64	28	22	56	170
8	—	130	51	75	35	28	61	198
15	—	172	83	72	44	26	72	214
22	—	156	61	79	47	24	73	223
29	—	200	52	82	41	25	72	220
Dec. 6	—	234	62	81	41	19	72	214
13	—	205	42	87	34	9	71	201
20	23	212	58	74	21	8	66	169
27	17	222	57	72	17	10	69	168
1962 — Jan. 3	—	210	54	84	33	11	64	191
10	—	117	43	93	49	8	62	211
17	—	204	46	84	32	7	63	186
24	—	133	40	75	34	5	69	183
31	—	146	33	77	29	6	60	172
Feb. 7	—	116	31	76	28	5	69	178
14	—	135	26	92	25	6	53	176
21	—	150	29	89	23	5	63	180
28	—	182	43	66	17	7	70	160
Mar. 7	—	186	37	56	22	13	71	163
14	—	165	32	79	32	9	69	189
21	—	126	35	127	47	8	69	251
28	—	108	32	126	60	7	69	262
Apr. 4	—	136	49	98	53	9	85	245
11	9	104	45	106	48	10	82	246
18	—	121	45	95	44	15	83	238
25	—	131	40	104	45	19	94	262
May 2	—	168	69	111	43	17	99	270
9	—	171	58	109	21	14	97	241
16	—	199	55	108	36	14	109	267
23	—	138	45	135	44	14	104	297
30	—	101	40	123	39	10	103	275
June 6	—	88	42	127	40	8	95	269
13	12	102	46	128	31	8	90	257
20	33	52	50	116	30	8	88	242
27	—	88	55	119	23	5	87	234
July 4	—	76	48	104	35	2	72	213
11	—	105	45	118	43	3	65	229
18	23	53	47	129	31	1	59	219
25	—	91	39	118	48	5	57	228

APPENDIX I

SOURCES OF FINANCE FOR INVESTMENT DEALER INVENTORIES (Cont'd.)

(\$ Millions)

		Bank of Canada	Chartered Banks		Other Lenders(1)				
		Re-purchase Agreements	Day Loans	Call Loans(2)	On the Security of:—				Total
					Treasury Bills & Other G. of C. up to 90 Days(3)	G. of C. 91 Days to 3 Years(3)	G. of C. Over 3 Years(4)	All Other Securities(4)	
Aug.	1	—	69	68	114	55	7	56	232
	8	—	65	51	108	60	7	57	232
	15	—	103	49	109	50	10	54	224
	22	—	92	59	95	56	12	57	220
	29	—	103	57	88	65	13	54	220
Sept.	5	—	119	47	89	56	19	60	224
	12	—	103	53	93	62	32	61	248
	19	—	128	49	99	57	32	62	250
	26	—	127	49	78	59	38	66	241
Oct.	3	—	164	94	80	66	35	67	247
	10	—	160	81	72	51	37	64	224
	17	—	158	78	75	38	46	68	227
	24	—	205	97	70	49	51	69	239
	31	—	260	65	65	33	19	77	194
Nov.	7	—	215	56	77	34	22	84	216
	14	—	196	55	92	27	21	75	215
	21	—	208	77	95	40	27	92	254
	28	—	222	70	86	34	28	93	241
Dec.	5	6	178	74	90	18	27	102	237
	12	1	165	62	116	25	25	83	249
	19	44	188	103	126	34	22	105	287
	26	—	286	98	88	37	23	113	261
1963 — Jan.	2	—	257	92	65	28	39	121	253
	9	—	185	65	89	43	30	108	270
	16	—	219	62	91	29	26	96	242
	23	—	177	52	101	40	29	94	264
	30	—	166	52	93	39	22	90	244
Feb.	6	—	201	52	100	68	29	105	302
	13	—	173	45	105	67	29	84	285
	20	—	171	42	86	63	28	71	249
	27	11	152	53	88	60	23	80	251
Mar.	6	—	127	56	72	70	23	92	257
	13	—	141	51	90	63	19	88	260
	20	—	115	49	98	68	17	90	273
	27	—	132	43	129	92	18	86	324
Apr.	3	—	126	50	97	90	18	94	299
	10	—	94	61	107	88	17	84	296
	17	1	133	67	152	86	24	84	346
	24	—	73	62	187	104	33	79	403
May	1	4	155	61	163	82	35	79	359
	8	8	111	50	203	93	31	84	411
	15	—	173	60	187	93	42	86	408
	22	—	146	52	182	85	49	86	402
	29	—	175	51	165	82	40	100	388

APPENDIX I SOURCES OF FINANCE FOR INVESTMENT DEALER INVENTORIES (Conc.)
(\$ Millions)

	Bank of Canada	Chartered Banks		Other Lenders(1)				
	Re-purchase Agreements	Day Loans	Call Loans(2)	On the Security of:—				Total
				Treasury Bills & Other G. of C. up to 90 Days(3)	G. of C. 91 Days to 3 Years(3)	G. of C. Over 3 Years(4)	All Other Securities(4)	
1963 — June 5	2	227	99	149	64	55	109	377
12	—	165	64	174	49	51	121	395
19	—	190	79	168	49	45	129	391
26	—	134	73	170	58	40	126	393
July 3	—	171	67	152	57	38	127	374
10	—	82	61	165	47	28	107	347
17	—	63	44	159	40	20	117	336
24	—	69	48	163	37	20	126	347
31	—	108	55	149	31	17	131	329
Aug. 7	—	97	46	158	35	13	117	322
14	—	81	42	162	44	14	109	328
21	—	81	48	168	49	21	99	337
28	—	97	43	158	38	13	101	310
Sept. 4	—	115	36	140	40	14	114	309
11	—	140	32	139	21	11	117	288
18	—	140	39	161	35	11	109	316
25	—	97	41	157	45	11	120	333
Oct. 2	—	201	78	157	56	28	116	358
9	—	161	53	152	55	24	121	352
16	—	184	60	121	52	27	127	327
23	—	173	52	119	61	26	137	343
30	107	102	46	155	62	21	131	369
Nov. 6	—	180	53	130	61	20	131	341
13	—	175	50	125	56	21	138	340
20	—	189	56	116	55	14	135	320
27	12	178	51	130	55	14	141	340
Dec. 4	2	189	71	141	41	15	139	336
11	27	155	69	176	32	16	148	372
18	65	252	80	155	44	12	136	347
25	45	232	74	153	44	11	137	345

(1) Includes all lenders other than the Bank of Canada and chartered banks.

(2) Call loans to investment dealers.

(3) Up to January 25, 1961, Government of Canada bonds maturing in 90 days or less are included with other Government bonds maturing within 3 years. Thereafter they are included with Treasury bills.

(4) Up to January 25, 1961, non-federal government securities are included with Government of Canada bonds maturing in more than 3 years. "All other securities" includes all types of bonds, but does not include stocks.

Sources: Bank of Canada, and the Investment Dealers' Association of Canada.

APPENDIX J

**DIRECTORATE RELATIONSHIPS
AMONG SELECTED FINANCIAL INSTITUTIONS**

By R. Craig McIvor

APPENDIX J

DIRECTORATE RELATIONSHIPS AMONG SELECTED FINANCIAL INSTITUTIONS

The data concerning directorate links among the chartered banks, the trust companies and the life insurance companies, have been organized so as to provide a cross-classification of inter-relationships among these three categories of financial institutions. Section A summarizes, for each of the chartered banks (and for the Quebec Savings Bank),

- (a) the number of its directors who are also directors of trust companies, the distribution of this number as among the individual companies and any executive office held by such directors within the trust companies;¹
- (b) the same range of information with reference to the life insurance companies.

The data have been revised to the end of the 1961 and are based on information provided by the financial Post. In particular, their *Survey of Directors*, their *Survey of Industrials*, and their *Corporate Card Index* have been used extensively. The chartered banks and the Quebec Savings Banks are *all* included in the summary. The twenty Canadian insurance companies included held some 98% of the assets (book values) of all Canadian companies; three British companies holding 93%

1. For instance, Section A, number 1, indicates that twenty-one directors of the Bank of Montreal sit on trust company boards. Fifteen of these sit on the Royal Trust board and one of them is president of that company.

of the assets of all such companies operating in Canada and six United States companies holding 95% of the assets of all such companies operating in Canada have also been included in the survey. The Trust Companies examined held 96% of the assets of all trust companies operating in Canada. Section B summarizes, for each of the trust companies:

- (a) the number of its directors who are also directors of the chartered banks, the distribution of this number as among the individual banks, and any executive office held by such directors within the banks;
- (b) the same range of information with reference to the life insurance companies.

Section C summarizes, for each of the life insurance companies:

- (a) the number of its directors who are also directors of the chartered banks, the distribution of this number as among the individual banks and any executive office held by such directors within the chartered banks;
- (b) the same range of information with reference to the trust companies.

NOTE: The material presented in this appendix was prepared by Professor McIvor as part of a background paper for the Commission on "Some Aspects of Financial Intermediaries".

SECTION A
DIRECTORATE LINKS CLASSIFIED BY BANKS

Directorate Links			Directorate Links		
Trust Companies	No.	Officers	Life Insurance Companies	No.	Officers
I Bank of Montreal					
Royal	15	President	Sun	5	President
C.P. — Toronto General ³	1	Vice-President	Standard	4	Chairman (Canadian Board)
Crown	1	Vice-President	Great West	3	Vice-President
Canada	2		Northern	1	Chairman
Montreal	1		Mutual	3	Vice-President
National	1	Chairman	Canada	1	Vice-President
			Crown	1	
			Imperial	1	
			Confederation	1	
II Bank of Nova Scotia					
Eastern	4	President, Chairman, Executive- Committee	Canada	3	Vice-President
			North American	1	
			Sun	1	
National	5		Imperial	3	
Administration & Trust	1		Crown	2	
Chartered	2		Monarch	1	Vice-President
C.P. — Toronto General ⁴	1				
III Banque Canadienne Nationale					
Administration & Trust	1	Vice-President	Sun	1	
General	5	Vice-President			
Montreal	1				
Guaranty	1	Vice-President			
National	1				
Société Nationale de Fiducie ...	1				
IV Canadian Imperial Bank of Commerce					
National	7		Confederation	5	
C.P. Toronto General ⁵	6	(2) Vice-President	North American	1	Vice-President
Crown	6	Chairman & President, Vice-President	Canada	3	President
			Manufacturers	1	
			Great-West	4	Chairman
			Norwich Union	1	
Royal	5		Imperial	2	Vice-President
Montreal	2				
Administration & Trust	1		Mutual	4	
Canada	4		National	2	Chairman
Waterloo	1		Crown	2	
			Excelsior	1	
			Continental	1	Chairman
			Travelers	1	
			Dominion	1	
V Mercantile Bank					
Guaranty	1		— Nil —		

³ Abbreviation: Canada Permanent — Toronto General Trust Company.⁴ Ibid.⁵ Ibid.

SECTION A (Continued)

Directorate Links			Directorate Links		
Trust Companies	No.	Officers	Life Insurance Companies	No.	Officers
VI La Banque Provinciale					
Administration & Trust	3	Chairman, Vice-President	Montreal	1	
National	1		North American	1	
			Crown	1	
VII The Royal Bank of Canada					
Montreal	15	Chairman, Vice-President, Executive Committee	Sun	4	Executive Committee
Administration & Trust	1		Metropolitan	1	
Eastern	1	Vice-President	Montreal	2	
Royal	1		North American	3	
Crown	1		Confederation	1	
National	1		Standard (of Edinburgh) ...	1	
Canada	1		Great West	1	
			Monarch	1	
			Excelsior	1	
			Canada	2	
VIII The Toronto-Dominion Bank					
C.P. — Toronto General ⁶	9	Chairman, (3) Vice-President	London	2	Chairman,
Canada	1		Excelsior	3	President, Vice-President
Montreal	2				
Chartered	1		North American	2	
National	1		Canada	2	
			Imperial	1	
			Confederation	1	
IX Montreal City and District Savings Bank					
— Nil —			Excelsior	1	
X Quebec Savings Bank					
General	2		Imperial	1	
Administration & Trust	1				

SECTION B

DIRECTORATE LINKS CLASSIFIED BY TRUST COMPANIES

Directorate Links			Directorate Links		
Bank	No.	Officers	Insurance Companies	No.	Officers
I Royal Trust					
Montreal	15	Chairman, Vice-President, Executive Committee	Standard	4	Canadian Chairman
			Sun	3	President
			Mutual	2	
			Northern	1	Chairman

⁶ Ibid.

SECTION B (Continued)

Directorate Links				Directorate Links			
Banks	No.	Officers	Insurance Companies	No.	Officers		
I Royal Trust (Continued)							
Canadian Imperial ⁷	5		Crown	1			
Royal	1		Confederation	1			
			Great West	1			
II National Trust							
Bank of Nova Scotia	5	President	Canada	10	President, (2) Vice-President,		
Canadian Imperial Bank of Commerce	7						
Montreal	1		Excelsior.....	2			
Royal	1		North American	1			
Banque Canadienne Nationale ...	1		Manufacturers	1			
Provincial	1		Monarch	1			
Toronto-Dominion	1		Continental	1			
			Imperial	1	Vice-President		
			Confederation	1			
III Canada Permanent -- Toronto General Trust							
Toronto-Dominion	9		North American	4			
Imperial	6		Excelsior	3	President, Vice-President		
Montreal	1	Vice-President					
Nova Scotia	1		Confederation	3	President		
			Mutual	3			
			Manufacturers	2	Vice-President		
			Great West	3	Vice-President		
			London	1			
			Crown	1			
			Imperial	1			
			Dominion	1			
			Continental	1			
IV Canada Trust							
Imperial	4		London.....	5	Chairman, President, Executive Committee		
Montreal	2						
Toronto-Dominion.....	1						
Royal	1						
			Northern	2			
			Equitable	1			
			Mutual	1			
			Crown.....	1			
V Administration & Trust							
Provincial	3	Chairman	Montreal	2			
Canadienne Nationale	1		Confederation	1			
Quebec Savings	1						
Nova Scotia	1						
Royal	1						
Imperial	1						
VI Eastern Trust							
Nova Scotia	4		Crown	2			
Royal	1		Sun	1			
			National	1			
			Great West.....	1			

⁷ Canadian Imperial Bank of Commerce

SECTION B (Continued)

Directorate Links			Directorate Links		
Banks	No.	Officers	Insurance Companies	No.	Officers
VII General Trust					
Canadienne Nationale	5	Vice-President(2)	Continental	1	
Quebec Savings	2	Vice-President			
VIII Guaranty Trust					
Canadienne Nationale	1			— Nil —	
Mercantile	1				
IX Crown Trust					
Imperial	6	Vice-President	Confederation	2	
Royal	1		Sovereign	1	
Montreal	1		Imperial	1	
X Chartered Trust					
Nova Scotia	2		Manufacturers	3	President
Toronto-Dominion	1		Imperial	2	
			Crown	1	President
			Empire	1	Chairman
			Montreal	1	
XI Montreal Trust					
Royal	15	President, Vice-President	Sun	6	
			National	1	Chairman
			Metropolitan	1	
Imperial	2		Montreal	1	
Toronto-Dominion	2		Sovereign	1	
Canadienne Nationale	1	Vice-President	Travelers	1	
Montreal	1				
XII Waterloo Trust & Savings					
Imperial	1		Equitable	6	President, Vice- President.
			Mutual	4	Chairman, President
			Dominion	4	President
XIII Victoria & Grey Trust					
	— Nil —			— Nil —	
XIV Societe Nationale de Fiducie					
Canadienne Nationale	1		Canada	1	
XV Nova Scotia Trust					
	— Nil —			— Nil —	

SECTION C

DIRECTORATE LINKS CLASSIFIED BY INSURANCE COMPANIES

Directorate Links			Directorate Links		
Banks	No.	Officers	Trust Companies	No.	Officers
Canadian					
I Sun Life					
Montreal	5	President	Montreal	6	Executive Committee

SECTION C (Continued)

Directorate Links			Directorate Links		
Banks	No.	Officers	Trust Companies	No.	Officers
Canadian			I Sun Life (Continued)		
Royal	4		Royal	3	Chairman
Nova Scotia	1		Eastern	1	Chairman
Canadienne Nationale	1				
			II Manufacturers Life		
Imperial	1		Chartered	3	Vice-President, Chairman
			Canada Permanent – Toronto General Trust..	2	
			National	1	
			III London Life		
Toronto-Dominion	2	President	Canada	5	President
			Canada Permanent – Toronto General Trust..	1	Vice-President
			IV Great West Life		
Imperial	4	Vice-President	Canada Permanent – T.G.T.	3	Vice-President
Montreal	3	(2) Vice-President	Royal	1	
Royal	1				
			V Canada Life		
Imperial	3	President	National	10	Chairman, President, Vice-President
Nova Scotia	3	President			
Toronto-Dominion	2				
Royal	2				
Montreal	1				
			VI Mutual Life		
Imperial	4		Waterloo Trust	4	Chairman, Vice- President
Montreal	3		Canada Permanent – TGT.	3	
			Royal	2	
			Canada	1	
			Crown	1	Vice-President
			VII Confederation Life		
Imperial	5	(2) Vice-Presidents	Canada Permanent	3	
			Crown	2	Vice-President
Toronto-Dominion	1		National	1	
Montreal	1		Royal	1	
Royal	1		Administration & Trust ..	1	
			VIII North American Life		
Royal	3		Canada Permanent – TGT	4	
Toronto-Dominion	2		Montreal	1	
Imperial	1		National	1	
Nova Scotia	1				
Provincial	1	Vice-President			
			IX Crown Life		
Imperial	2		Eastern	2	Executive Committee
Nova Scotia	2		Canada Permanent – TGT	1	Vice-President
Montreal	1		Canada	1	
Provincial	1	President			

SECTION C (Continued)

Directorate Links			Directorate Links		
Banks	No.	Officers	Trust Companies	No.	Officers
IX Crown Life (Continued)					
			Chartered	1	
			Royal	1	
X Imperial Life					
Nova Scotia	3		Chartered	2	President
Imperial	2		Canada Permanent - TGT	1	
Toronto-Dominion	1		Crown	1	
Montreal	1		National	1	
Quebec Savings	1				
XI Dominion Life					
Imperial	1		Waterloo Trust	4	
			Canada Permanent	1	
XII Excelsior Life					
Toronto-Dominion	3		Canada Permanent	3	Chairman, (2) Vice-President
Imperial	1				
Montreal City	1				
Royal	1		National	2	
XIII Monarch Life					
Nova Scotia	1		National	1	
Royal	1				
XIV National Life					
Imperial	2		Montreal	1	
			Eastern	1	
XV Northern Life					
Montreal	1	Vice-President	Canada	2	
			Royal	1	
XVI La Sauvegarde Life					
- Nil -			- Nil -		
XVII Continental Life					
Imperial	1		Canada Permanent	1	Vice-President
			General	1	Vice-President
			National	1	
XVIII Montreal Life					
Royal	2		Administration & Trust	2	
Provincial	1		Chartered	1	Vice-President
			Montreal	1	
XIX Sovereign Life					
- Nil -			Crown	1	
			Montreal	1	
XX Equitable Life					
- Nil -			Waterloo Trust	6	President, Vice-President
			Canada	1	

SECTION C (Continued)

Directorate Links			Directorate Links		
Banks	No.	Officers	Trust Companies	No.	Officers
GREAT BRITAIN					
I Standard Life					
Montreal	4	Chairman	Royal	5	
Royal	1				
II Norwich Union					
Imperial	1			— Nil —	
UNITED STATES OF AMERICA					
I Metropolitan Life					
Royal	1	President	Montreal	1	Executive Committee
II Traveller's Insurance					
Imperial	1		Montreal	1	

SECTION D**Directorate Links Among Other
Financial Intermediaries.**

Apart from the chartered banks, trust companies, and life insurance companies, several other classes of financial intermediary were also examined, with a view to determining the direction and extent of interlocking directorates. The institutions studied included:

(a) instalment finance companies and small-loan companies;

- (b) the several types of investment companies (mutual funds, closed-end companies, and companies selling savings certificates to investors); and
- (c) investment dealers.

Directorate links with banks, trust companies, or insurance companies occurred only infrequently in the case of the instalment finance companies and small loan companies and of the investment dealers. In the case of the investment companies, such links appear to be more common.

Group Studied	No.	Banks	No.	Trust Companies	No.	Life Insurance Cos.
<i>Instalment Finance Companies</i> (6 companies examined)						
(i) Industrial Acceptance Corporation	1	Montreal	3	Montreal	1	Sun
	1	Imperial	2	Royal (Chairman)	1	Travelers
	1	Canadienne	1	Administration (Vice-President)	1	Alliance-Mutual
	1	Royal	1	Chartered		
(ii) Traders' Finance Corp.	1	Nova Scotia	3	Guaranty (President, Vice-President)	1	Empire (Chairman)
	1	Royal	1	Chartered		
(iii) Laurentide Acceptance Corporation	1	Canadienne	1	Fiducie	1	Alliance-Mutual
<i>Small Loan Companies</i> (5 companies examined)						
(i) Beneficial Finance Company of Canada	1	Imperial	1	Royal	1	Crown
<i>Mutual Funds</i> (27 funds examined)						
(i) Investors' Mutual of Canada — and	3	Imperial	1	National	1	Sovereign
	1	Toronto-Dominion	1	Canada Permanent	1	North American
(ii) Investors' Growth Fund of Canada					1	Canada Mutual
(iii) Canadian Investment Fund — and —	3	Montreal (President)	4	Royal	1	Sovereign
	1	Royal	1	Montreal	1	North American
	1	Imperial			1	Canada
(iv) Commonwealth International Leverage Fund	1	Canadienne			1	Mutual
(v) Commonwealth International Corporation	1	Nova Scotia	1	Royal	1	Sun
			1	Crown	1	Imperial
			1	Chartered		
(vi) Mutual Accumulating Fund	2	Imperial	1	Canada	2	National (President)
	1	Canadienne	1	Nova Scotia	1	Alliance-Mutual
(vii) All Canadian Compound Fund; All Canadian Dividend Fund	1	Montreal	1	Royal	—	Nil —
			1	Montreal		
(viii) Beaubran Corporation	—	Nil —	1	General (Vice-President)	1	Continental
					1	National
(ix) American Growth Fund	1	Imperial	—	Nil —	1	Mutual
(x) North American Fund of Canada	3	Royal	2	Montreal	1	Excelsior (Preside
	1	Montreal (Executive Committee)	1	Canada Permanent (Vice-President)	1	Sun
	1	Provincial	1	Canada		
			1	Royal		
(xi) Corporate Investors Ltd.	2	Toronto-Dominion	2	Chartered (Chairman)	1	Monarch (Presio
	1	Imperial	1	Victoria & Grey (President)	1	Great West
			1	Canada Permanent	1	Canada
			1	National	1	Imperial
			1	Canada		

Group Studied	No.	Banks	No.	Trust Companies	No.	Life Insurance Cos.
(xii) Dominion Equity Investments	1	Montreal	1	Montreal	1	Imperial
	1	Toronto-Dominion	1	Chartered	1	Montreal
			1	Royal	1	Standard
(xiii) United Accumulative Fund	2	Imperial (Vice-President)	3	Chartered (Vice-President)	1	Empire (Chairman)
	1	Nova Scotia	1	Crown (Vice-President)	2	Confederation
	1	Toronto-Dominion	1	Administration	1	Imperial
(xiv) Funds Collective A (B, C.)	1	Provincial	—	Nil —	—	Nil —
(xv) Timed Investment Fund	—	Nil —	1	Crown	—	Nil —
(xvi) Executive Fund of Canada Supervised Income Fund Supervised Growth Fund Supervised American Fund	2	Royal	2	Montreal	1	North American
	1	Toronto-Dominion	1	Canada Permanent —		
	1	(Vice-President)		Toronto General		
		Canadienne Nationale	1	General		
<i>Investments Trusts; Closed-end Companies. (15 companies examined)</i>						
(i) Canadian General Investments Ltd.	3	Royal	2	Canada (President)	1	Excelsior (President)
	1	Imperial	1	Chartered (Chairman)	1	London
	1	Toronto-Dominion	1	Montreal	1	Manufacturers
			1	Canada Permanent	1	Sun
(ii) United Corporations Ltd.	2	Royal (Vice-President)	2	Montreal (Chairman)	1	Dominion
	1	Imperial		President)	1	Monarch
			1	Canada		
			1	Canada Permanent		
(iii) Third Canadian Investment Trust Ltd.	2	Royal	1	Canada Permanent	1	Excelsior (President)
	1	Toronto-Dominion				
(iv) Toronto and London Investment Company Ltd.	1	Canadienne Nationale	1	Victoria & Grey (Vice-President)	—	Nil —
			1	Canada Permanent		
			1	General		
(v) Dominion and Anglo Investment Corporation Ltd.	1	Nova Scotia	3	Chartered (President and Vice-President)	1	Empire (Chairman)
	1	Montreal	1	Royal	1	Imperial
					1	Crown
					1	Standard (Canadian Chairman)
(vi) Great Britain and Canada Investment Corporation	1	Montreal	1	Royal	1	Standard (Canadian Chairman)
			1	Montreal		
(vii) Economic Investment Trust Ltd.	2	Montreal	1	Crown (Vice-President)	1	Excelsior (Chairman)
	1	Imperial	1	Canada Permanent	1	Mutual (Vice-President)
	1	Toronto-Dominion	1	National	1	Imperial (Vice-President)
			1	Royal	1	Standard (Canadian Chairman)
(viii) Canadian Power and Paper Securities Ltd.	1	Nova Scotia	2	Montreal	1	Standard (Canadian Chairman)
	1	Imperial	1	Royal		
	1	Montreal				
	1	Royal				
(ix) Dominion Scottish Investments Ltd.	1	Montreal (Chairman)	1	National (President)	2	Confederation (President)
	1	Imperial (Vice-President)	1	Crown (Vice-President)	1	Canada
			1	Canada Permanent	1	Standard (Canadian Chairman)
			1	Royal	1	

Group Studied	No.	Banks	No.	Trust Companies	No.	Life Insurance Cos.
(x) Canadian Gas and Energy Investments Ltd.	2 1	Royal Toronto-Dominion (Vice-President)	2 1 1	Montreal (Executive Committee) National Canada Permanent	—	Nil —
(xi) Investment Bond and Share Corporation	1	Royal (Vice-President)	1	Montreal (Chairman)	1	Dominion
(xii) Debentures & Securities Corporation of Canada	1	Nova Scotia	2 1	Chartered (President) Royal	2 1	Empire (Chairman, President) Imperial
(xiii) Investment Foundation Ltd.	1 1 1	Nova Scotia Montreal Montreal City & District	2 1	Eastern (Chairman) Montreal	1	Sun
(xiv) Consolidated Diversified Standard Securities	—	Nil —	1	General	—	Nil —
(xv) Pacific Atlantic Canadian Investment Co. Ltd.	—	Nil —	1	Chartered	—	Nil —
(xvi) Argus Corporation	1 1 4 5	Toronto-Dominion (Vice-President) Canadienne (Chairman) Royal Imperial	3 2 1 2 1 1 1 1	Crown (Chairman) Montreal Administration & Trust (Vice-President) Canada Permanent National Canada Royal	1 3 1 1 1	National (Chairman) Alliance Confederation Mutual (Vice-President) Excelsior Sun
(xvii) Power Corporation of Canada	1 1 1	Royal (President) Montreal Nova Scotia	1 2 1	Administration & Trust (President) Montreal (Vice-President) Royal	1 1	Metropolitan Standard (Canadian Chairman)
<i>Savings Certificate Companies (3 companies examined)</i>						
(i) Investors' Syndicate of Canada	4	Imperial (Vice-President)	2 1	National Canada Permanent	1 1 1 1	Canada Manufacturers Mutual Sovereign
(ii) Savings and Investment Corporation	—	Nil —	1	General	—	Nil —
<i>Investment Dealers</i>						
(i) A. E. Ames & Co.	—	Nil —	1 1	Canada Permanent National	—	Nil —
(ii) L. G. Beaubien & Co.	—	Nil —	1	General (Vice-President)	1	Continental
(iii) Greenshields Inc.	—	Nil —	1	Chartered (Vice-President)	1	Montreal
(iv) Wood, Gundy & Co.	—	Nil —	—	Nil —	1 1	Dominion National
(v) Midland Securities Corporation	—	Nil —	—	Nil —	1	Northern
(vi) James Richardson & Sons	1	Imperial	—	Nil —	1	Great West

APPENDIX K

**LONG CYCLES AND RECENT
CANADIAN EXPERIENCE**

By D.J. DALY

INDEX

	Page
<i>I. Some Evidence on Long Cycles</i>	283
A. Measurement.....	283
B. Canadian Experience	285
1. Variations in growth rates	
2. Pervasiveness	
3. Canadian – American comparisons	
4. Timing and Composition of Investment	
C. A Persistent Mechanism?.....	288
1. Exogenous shocks	
2. Construction cycles	
3. Monetary cycles	
4. A synthesis?	
<i>II Postwar Growth in Canada</i>	292
A. Patterns over Past Long Cycles.....	293
1. Production	
2. Construction	
3. Industrial diversity	
4. Severe depressions	
B. Recent Similarities	294
C. Differences in Circumstances	295
1. Long duration	
2. Increased importance of government expenditures and taxes	
3. Strengthened financial system	
4. Changes in other sources of instability	
D. Implications for Policy	297
<i>III Evidence for other Countries</i>	298

APPENDIX K

LONG CYCLES AND RECENT CANADIAN EXPERIENCE*

In any appraisal of the scope for discretionary monetary and fiscal policy in stabilization, it is necessary to make some appraisal of the length of the lags in the response of the economy to changed circumstances. A number of the staff studies have explored this area, using a variety of approaches.¹ It is also necessary to appraise the past experience of the economy to see how long the periods of inflationary or deflationary pressure have been. If the economy were to respond appreciably and quickly, the prospects for using discretionary policy to reduce instability would be more favorable than if the lags were long and variable. Similarly, if the periods of severe inflationary or deflationary pressure were prolonged, it would be more practical to adjust economic policies appropriately than if the economy changed direction frequently. This Appendix summarizes some of the relevant past experience on the extent and duration of long cycles.

I Some Evidence on Long Cycles

As statistical data are developed for an extended period for a larger number of countries, it is apparent that economic growth does not go

forward at a steady and even pace, but rather occurs in rapid surges, followed by periods of hesitant growth or even extended declines in economic activity. Although there has been a considerable amount of data development and analysis in other countries, especially the United States, the extent of work in Canada has been fairly limited. There has been a great deal of work in recent years on the short-term business cycle and the current economic situation in Canada, but much less on the longer-term swings. This note summarizes some of the evidence and reasoning for other countries, and illustrates some of the trends from Canadian experience.

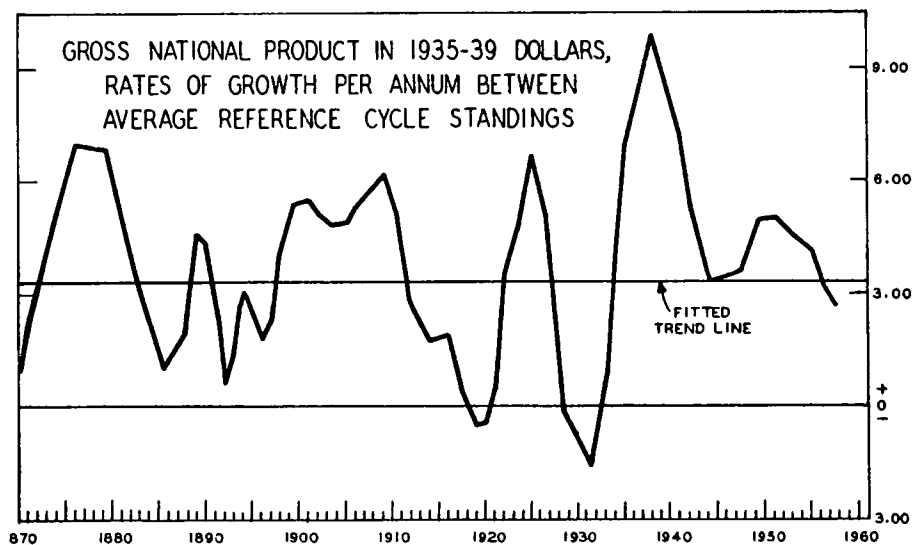
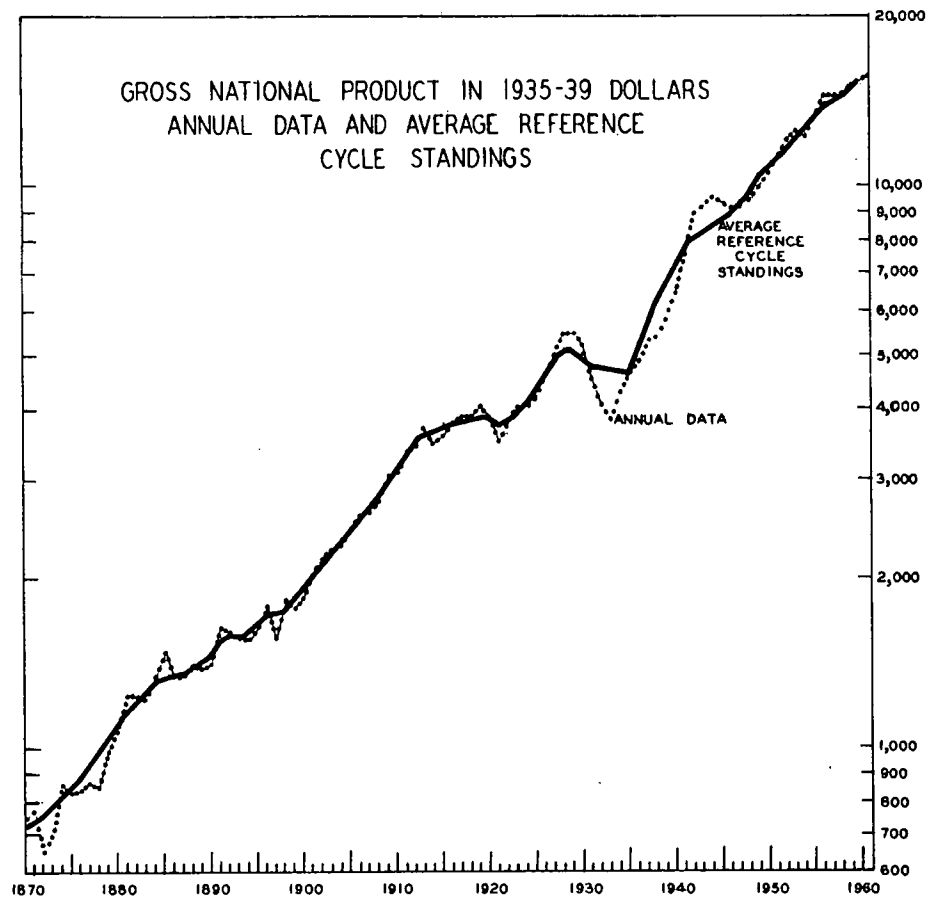
A. Measurement

After an extended range of data has been accumulated, there are a number of different methods of summarizing the longer-term changes in the data. Three approaches have been used extensively. In one approach, growth rates are calculated over spans of years in order to make comparisons of growth experience over pre-selected periods. A second approach is to use a uniform method of averaging. One example is to compare the growth rates of consecutive 5 or 10 year periods. Another is to apply a moving average of several years to the annual data to eliminate minor fluctuations. More recently, Abramovitz has developed a method which uses the dates of the shorter-term business cycle as the basic time interval for averaging. As this approach is being used more widely, and permits study of the relationships between the short-term cycle and longer-term growth, it will be described more fully and illustrated with Canadian data.

* This study draws on work done in the Economics Branch, Department of Trade and Commerce. W.M. Illing's help has been invaluable. The charts were prepared by Mrs. I.M. Deruchie, also of the Economics Branch. Helpful comments on an earlier version have been provided by M.C. Urquhart, K.H. Buckley, W.M. Illing, D.A. White and A.C. Kelley. Publication of the study does not necessarily imply that the Royal Commission on Banking and Finance agrees with the views expressed.

1. See H.G. Johnson and J.W.L. Winder, "Lags in the Effects of Monetary Policy in Canada"; J.V. Poopst, "The Residential Mortgage Market"; R.M. Will, "Postwar Fiscal Policy in Canada: A Study of Policy and Policy Lags", and the interview study of corporate response by J.H. Young and J.F. Hellwell printed in this volume.

CHART I
MEASURING LONG CYCLES,
G.N.P. IN CANADA, 1870'S TO DATE



The method used can be illustrated in Chart 1, referring to real G.N.P. in Canada. Using the dates for business cycle troughs, the average value of annual data between one business cycle trough and the next are obtained, and this is done for the full period of data. This is repeated for the periods between each business cycle peak. The results after averaging and centering are plotted on the top part of the chart. This part of the chart also shows the original annual observations, so the effects of this method of averaging can be seen. The top panel of the chart (based on ratio scale) shows the persistent upward trend, with only two periods of decline in the solid line. These appear during the more severe depressions in 1919 and again during the early years of the 1930's. There is considerable variation in the rates of growth between the averages for adjacent full business cycles. In the bottom panel of the chart, rates of change per year between the average levels already obtained are plotted, with the observations at the center of the periods being compared. A logarithmic trend of 3.3 per cent (calculated by least squares) is also shown. Most of the other examples given later are rates of change in such flow series as G.N.P.

The main result of this averaging over business cycles is to smooth away much of the variation that is so apparent within business cycles in both annual and monthly data. Significant variations *between* different business cycles are still apparent, such as the impact of severe depressions and variations in the vigour of different business cycle expansions. This method has advantages compared with the use of uniform moving averages, such as the five or nine year moving average, or the use of overlapping decades. The use of uniform time periods can still be affected by whether the periods are at roughly the same, or markedly different, stages of the shorter-term business cycle. The use of averages over business cycles facilitates the integration of the work on long cycles with the work on shorter-term business cycles.

It should be noted that the range of annual data covering an extended period of time is fairly limited. The number of series is much less than are available on a current basis. However, much more material for Canada has become available recently from a volume sponsored by the Canadian

Political Science Association and the Canadian Social Science Research Council.²

B. Canadian Experience

Some of the more striking features of Canadian experience over longer cycles are illustrated in the accompanying charts. Four points apparent in the charts are worth noting.

1. *Variations in growth rates:* One of the striking features of the charts is the variation in growth rates over time. This wave-like pattern is particularly marked in urban building activity and gross national product. These long swings are quite apparent over the full period, including the nineteenth century (before the special influences of the two World Wars and the depression of the 1930's). This reflects a persistent tendency for growth to take place in surges, followed by a reaction and more moderate changes for a period.

2. *Pervasiveness:* These swings in the growth rate are apparent in a wide range of series. Three important series are shown in Chart 2, covering immigration, urban building activity and the balance of merchandise trade.³ The timing of all the major swings is strikingly similar in all three processes. In a sense this reflects the impact of major developments in the economic situation on these important areas. Such periods of vigour as the period from 1900 to 1914 and the 1940's and early 1950's and the severe depression of the 1930's stand out sharply, but more moderate differences are also evident. Incidentally, these charts are selected from about thirty covering almost a century of Canadian experience and most of them show the longer swings in growth rate of those shown here.

3. *Canadian-American Comparisons:* The timing of these major swings in Canada is very similar to those in the United States. This can be seen in Chart 3 on G.N.P. and urban building activity. Basically, this reflects the natural tendency for rapid growth or severe depression in Canada to be related to similar tendencies in her major markets.

2. M.C. Urquhart and K.H. Buckley, Editors, *Historical Statistics of Canada*, Cambridge University Press, forthcoming.

3. To facilitate comparisons, all three series have been standardized, by putting them in ratio form. Immigration is shown as a percentage of the existing population; the urban building index is related to the index of G.N.P.; and the trade surplus (or deficit) is shown as a percentage of total trade (exports plus imports).

CHART 2 - IMMIGRATION AS PER CENT OF POPULATION,
BALANCE OF TRADE AS PER CENT OF TOTAL TRADE,
URBAN BUILDING IN RELATION TO G.N.P.,
CANADA, AVERAGE REFERENCE CYCLE STANDARDS,
1870 TO DATE

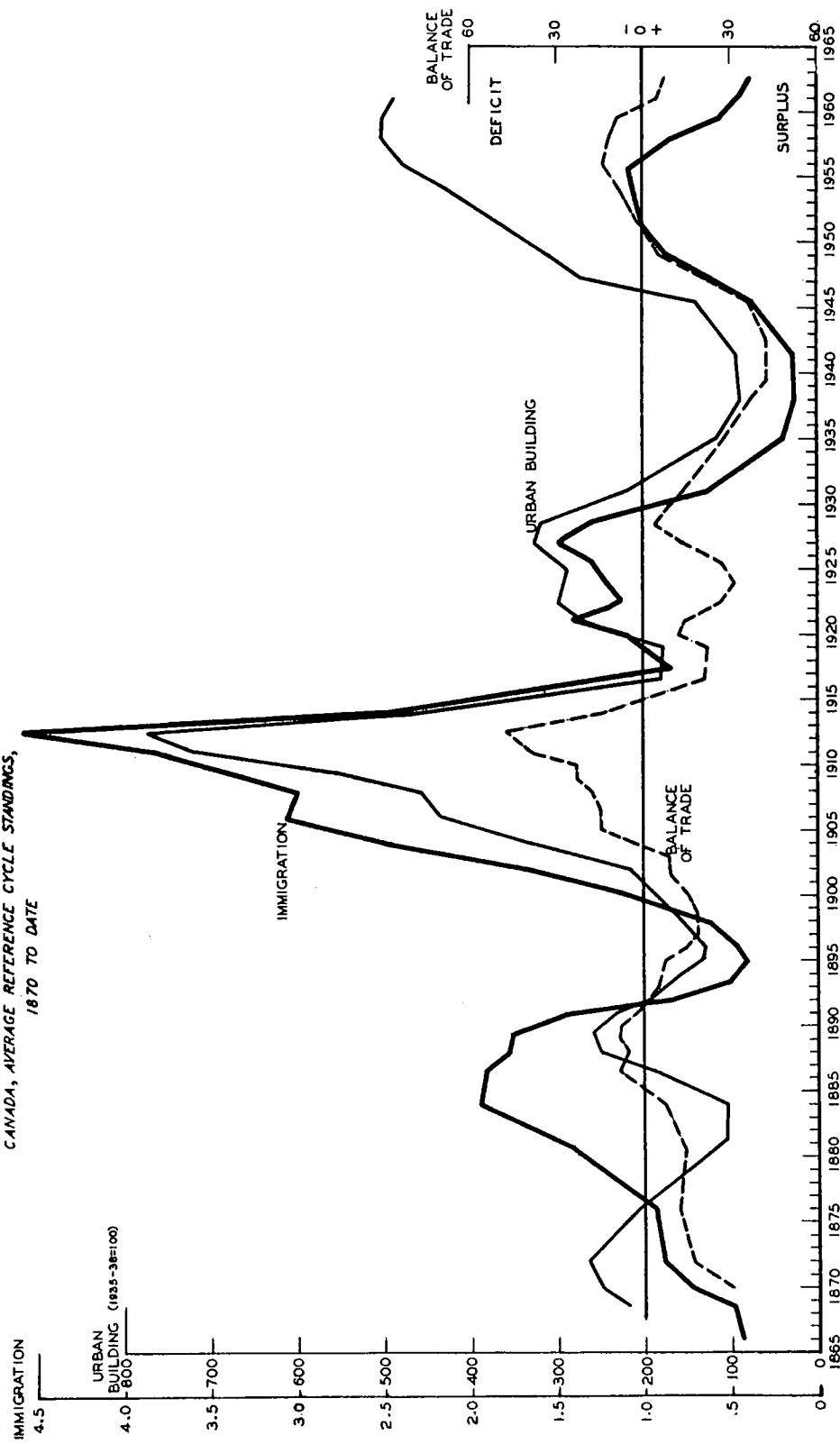
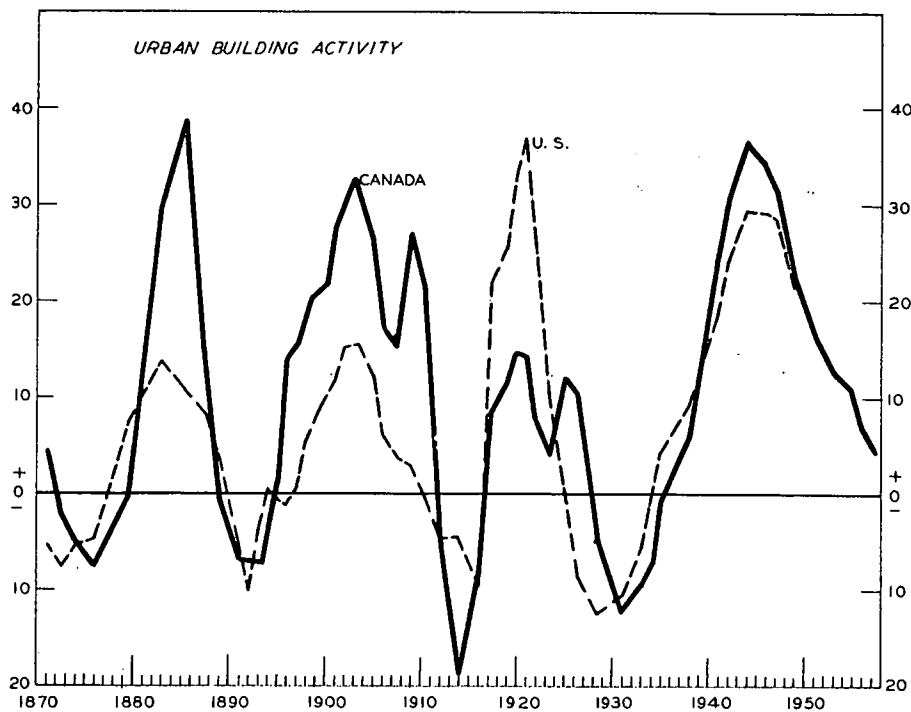
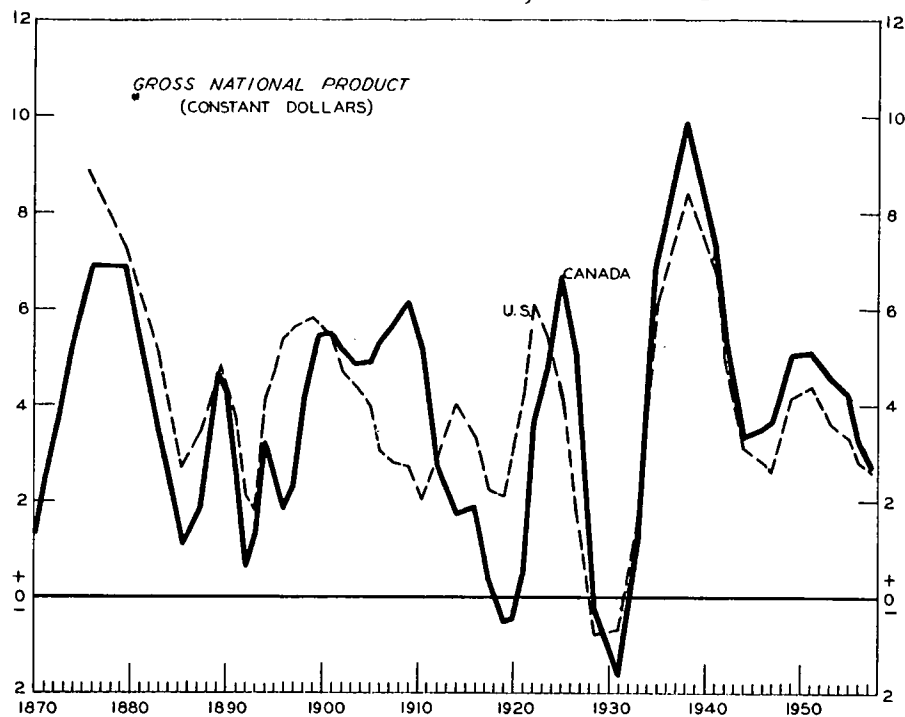


CHART 3 - LONG CYCLES IN GROSS NATIONAL PRODUCT
AND URBAN BUILDING ACTIVITY,
UNITED STATES AND CANADA, 1870'S TO DATE



There are also some differences, however. A low point in the rate of change in G.N.P. (and for some other series not shown) occurs between 1900 and 1911 in the United States, with no comparable drop in Canada. The large capital inflow and high immigration into Canada at that time contributed to a high rate of growth for a full decade longer than in the United States. Similar tendencies for a more extended period of a high growth rate at peaks are apparent in the late 1920's and again in the 1954-57 expansion in Canada.⁴

The charts on real G.N.P. and urban building activity suggest *larger* amplitudes for long cycles in Canada than in the United States. An important factor contributing to this is the volatility in the world demand for industrial raw materials, which are so important in domestic investment and export trade for Canada. When world markets are favourable, the rate of activity in Canada is intensified by an inflow of capital and a high level of immigration. When world demand eases up, however, domestic investment declines and the inflow of capital and manpower either drops drastically or is even reversed. The fluctuations in international capital movements and net immigration contribute to the extend of the longer-term swings in Canada. (It should be noted that the amplitudes of the short-term business cycle recessions are usually milder in Canada than in the United States—the reverse of the tendency in the longer cycle.)

4. *Timing and Composition of Investment:* Changes in gross investment never lead the long cycle changes in economic activity. There are, however, a number of instances where investment lags. In both the U.S. and Canada there are long investment lags in the mid 1880's, in the early 1900's, and again at the end of the Second World War. The differences are even more apparent if the percentage change in the stock of capital is compared with the long cycle in G.N.P., as in Chart 4. Over five full long cycles beginning in 1890, the maximum rates of change in the stock of capital in the United States have lagged the changes in G.N.P. by two and a half years. For Canada, rough estimates of the stock of capital are available only since 1926, but over three cycles since then, the lag has been three and a half years, as shown

in Chart 5. Because of the lagged response in the stock of capital, the direction of the changes are out of phase between one third and one half of the time (based on a long-term average of about 14 years for a full cycle).

There also seems to be a shift in the composition of investment over these long cycles. In the early stages of a long cycle expansion, the greatest relative strength appears in investment by the commodity-producing industries. In the later stages of the long-cycle expansion, housing, transportation, utilities and office buildings become relatively more important. This is the area of "population sensitive" investment (to use Kuznets' term). Social capital is another phrase which has been used, covering the roads, sewers, schools and hospitals, which are such an important accompaniment of urban and suburban growth.

It is possible that these shifts are a contributing factor in changing financial conditions. The commodity-producing industries finance much more from internal funds, while the economic sectors important for investment in the area of social capital, housing and utilities resort to the capital market to finance expansion to a greater extent.

C. A Persistent Mechanism?

Although there is general agreement that growth occurs in long waves of rapid growth and retardation, there is no real consensus on the major causes for these swings. Three main approaches can be distinguished: major shocks or accidents; the construction cycle (with an emphasis on real factors in business cycles); and the monetary cycle. These will be outlined briefly.

1. *Exogenous shocks:* The emphasis on exogenous shocks has some evidence to support it. The impact of wars is an important illustration, with examples from the Napoleonic period, the American Civil War, and the First and Second World Wars. Institutional weaknesses contribute to increased severity of depressions, particularly with the financial crises that were fairly important during the 19th and early 20th centuries.

2. *Construction cycles:* The role of construction and population growth in long cycles has had the greatest attention as a causal factor in these swings. The length of the lags in the adjustment of the stock of capital is particularly important

4. K.A.H. Buckley, "Urban Building and Real Estate Fluctuations in Canada", C.J.E.P.S., Feb. 1952, pp. 41-62, and especially Table 1, p. 44.

CHART 4

G N P, 1929 PRICES, RATES OF CHANGE BETWEEN AV. REF. CYCLE STANDINGS
PRIVATE NON-FARM NON-RESIDENTIAL CAPITAL STOCK, 1929 PRICES, (K)
YEAR-TO-YEAR % CHANGES, 3 YEAR M. A., 1889-1953

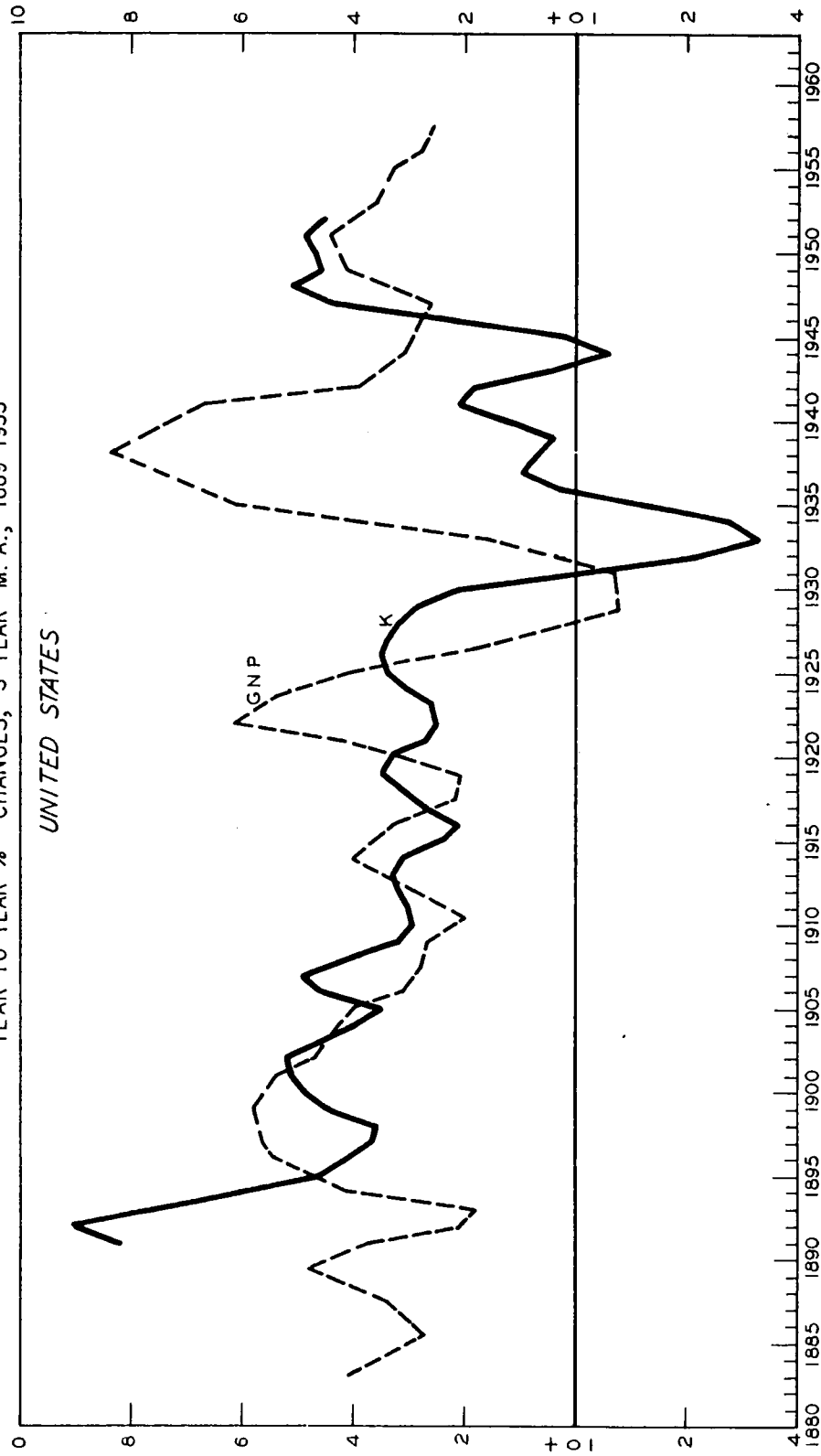
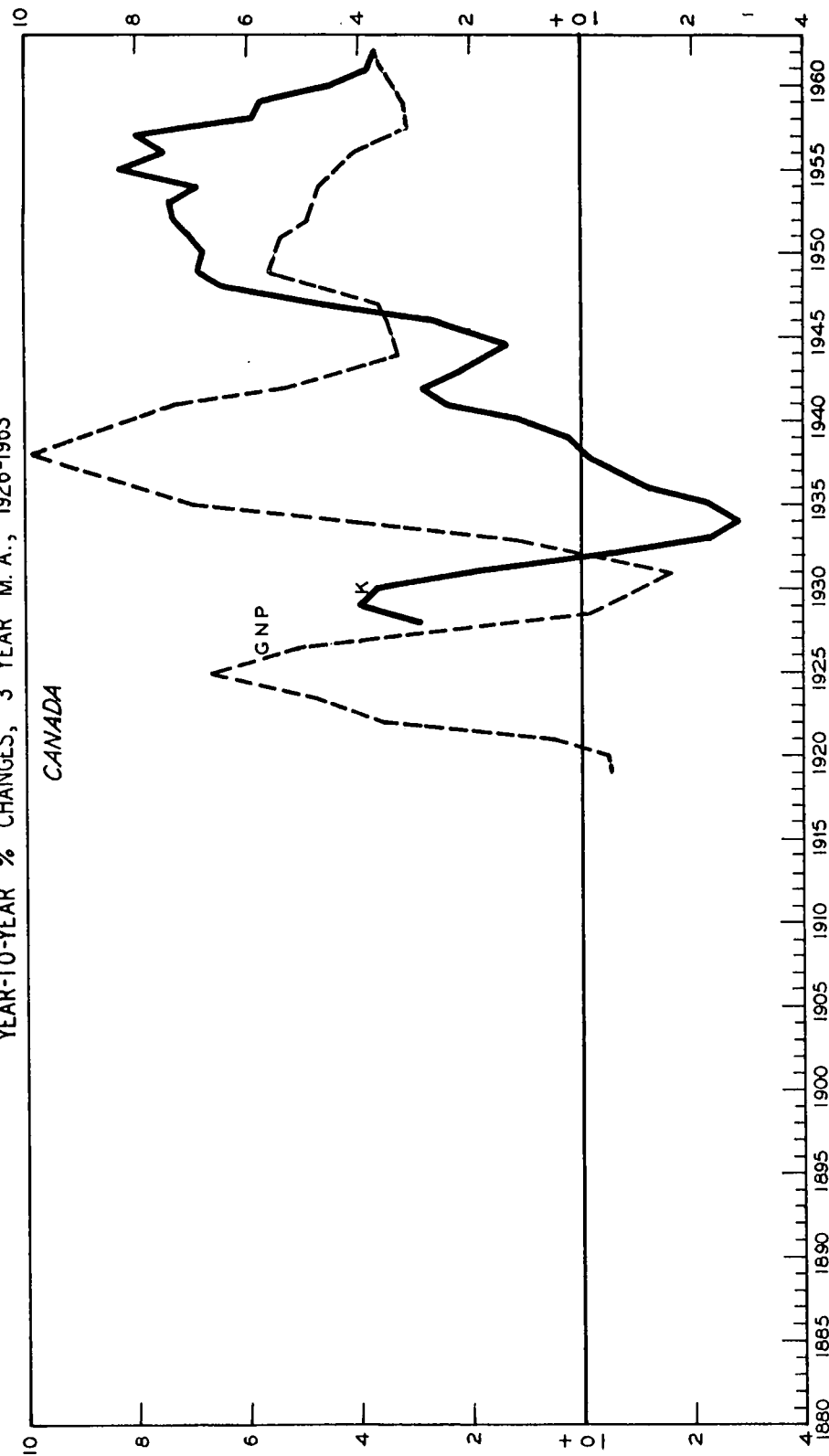


CHART 5
 G N P, 1935-39=100, RATES OF CHANGE BETWEEN AV. REF. CYCLE STANDINGS, 1926-1963
 PRIVATE NON-FARM NON-RESIDENTIAL CAPITAL STOCK, 1949=100, (K)
 YEAR-TO-YEAR % CHANGES, 3 YEAR M. A., 1926-1963



in this regard. Some of the evidence for the lags was noted in the last section; some of the reasons for this will be explored here. Part of this lag reflects technical factors – the extended period of planning, drafting, preparing specifications, placing contracts, and the period of construction. The period of construction is related to the size of the project – large projects typically extend over a long period of time. A further factor is the psychological factor of business confidence and the length of time a possible program of expansion is considered before detailed planning is initiated. This can be illustrated by considering business attitudes after a severe depression. After a depression, businessmen are understandably concerned about low rates of utilization, low profit margins, high rates of business failures and high unemployment. They are very cautious about making long-term commitments and hesitate to expand facilities. Even when production, sales and employment have gone up in several periods of expansion, they continue to be cautious. It takes a series of extended expansions with only minor set backs until their concerns about low rates of utilization and low profit margins begin to be abandoned and they become enthusiastic about longer-term growth prospects. Interest in expansion grows and they are willing to undertake long-term commitments. They become aware that the rate of growth in output has been sharp, productivity has been increasing and profits are high both in relation to total sales and total assets. Gross investment is encouraged by high rates of utilization and high profits, but the ratios of capital to output fall in spite of rising investment and a growing stock of capital. As the expansion continues, the increase in output begins to moderate, and the additions to the stock of capital accelerate. The capital to output ratio begins to grow while profit rates begin to narrow. The acquisition of further productive facilities is progressively discouraged. The rate of increase in gross investment slows down, and the increase in G.N.P. is retarded, but the level of investment may remain high both in total and in relation to total output. The additions to the stock of capital may still be rapid, and with the slower growth in total output, the capital to output ratio grows and profit rates fall. With excess capacity beginning to grow and profit rates falling, the incentives to

invest diminish and gross investment is cut-back. Gross investment and total output will increase at a slower rate or even decline. Excess capacity, unemployment of labour, slow productivity growth and severe depressions can develop. Thus the lags in the adjustment of the stock of capital lead to overshooting and subsequent adjustments and are reflected in a wide range of economic processes.

These lags and excessive investment in the business area are extended and intensified by similar (but later) swings in housing, utilities and social capital. The changes in certain major commodity-producing industries contribute to changing concentrations of population and increased population movement. In Canada, historically, a capital inflow and increased net international migration intensify the extent of growth and change.

This pattern has been discussed extensively in the literature, with some differences in emphasis, partly reflecting the areas of interest and differences in approach of the writers.⁵ They share in common an emphasis on real factors, with monetary factors playing a minor role.

3. *Monetary cycles*: Other writers would put much more emphasis on the role of monetary factors in these long swings. Milton Friedman is one of the strong advocates of this position. He would put a great deal of emphasis on the rate of change in the money supply, pointing out that periods of large and persistent price increases have invariably been associated with sharp increases in money supply and that periods of severe depression have followed more modest increases in the money supply, or an occasional actual decline. The periods of price inflation have frequently been associated with wars and excessive monetary expansion from war finance, or other sources of monetary expansion, such as the inflow of gold into Spain from the New World. Severe depressions have occurred if a financial crisis and an accom-

5. For example, see M. Abramovitz, *N.B.E.R. Annual Report*, 1958, pp. 47–56; "The Nature and Significance of Kuznet's Cycles", *Economic Development and Cultural Change*, April 1961, pp. 233–248; "Evidences of Long Swings in Aggregate Construction Since the Civil War", *Forthcoming N.B.E.R. Occasional Paper*, Sections 1 and 10; S. Kuznets, "Long Swings in the Growth of Population and on Related Economic Variables", *Proceedings of the American Philosophical Society*, Feb. 1958, pp. 34–37; Bert G. Hickman, "The Postwar Retardation: Another Long Swing on the Rate of Growth?", *A.E.R.*, May 1963, pp. 496–501.

panying "run" on the currency or banking system led to a reduction in the money supply.

According to this view, if the money supply was increased at a constant rate (to cover the long-term increase in physical activity and the long-term increase in the desire to hold cash balances), the swings in economic activity would be sharply reduced, and might even disappear. Friedman recommends a steady increase in the money supply as an important part of his views on monetary policy.⁶

Some writers have drawn attention to the "quality of credit" as another financial factor in business cycles. Essentially, the quality of credit can be regarded as a risk of loss. Although some work has been done in this area, the period studied has been much shorter, really just covering the period since the First World War. This work does suggest that there was a deterioration in the quality of credit during the 1920's, and there is some evidence that some deterioration has developed in the United States over the last decade or two. This could leave the economy more vulnerable to a recession in the future.⁷

4. *A Synthesis?*: Although these views on the causes of long swings have been put forth initially as alternatives, elements of them can also be drawn together in a synthesis. Certainly both the real and monetary schools would agree that wars can have an important impact on long cycles. However, they would both point out that there have also been long cycles in peace time. Most economists would agree that extremes of monetary expansion or contraction for extended periods would have an effect on activity, and prices, and that monetary and financial crises can influence physical activity. There may be scope for a synthesis, even if the appropriate emphasis on individual factors is still uncertain.

In this connection, it is worth drawing attention to some comments by Burns and Mitchell made

6. See M. Friedman, "The Demand for Money: Some Theoretical and Empirical Results", *J.P.E.*, August 1959, pp. 327-352, reprinted as N.B.E.R. Occasional Paper 68; Friedman and Schwartz, "Money and Business Cycles", *R.E. Stat.*, Feb. 1963 Supplement, pp. 32-78; and Friedman and Schwartz, *A monetary History of the United States, 1867-1960*, N.B.E.R. Princeton 1963 for a development of these views.

7. Geoffrey H. Moore, "The Quality of Credit in Booms and Depressions", *Journal of Finance*, May 1956, pp. 288-300; James S. Earley, "The Quality of Credit Studies in Perspective", *N.B.E.R. Forty-Third Annual Report*, May 1963, pp. 10-17 and other studies cited therein.

many years ago. In considering the question, "Is there a cycle of cycles?" they summarized the longer-term pattern of successive cyclical expansions after a severe depression. They found that the series measuring industrial activity behave quite differently over successive expansions from those representing interest rates and speculative activity. They suggest the following interpretation:

The series representing industrial activity seem to behave in a different way within the provisional long-cycle periods than do the series representing interest rates and speculation. While the average rise is largest in the first and smallest in the last group of specific cycles in both iron production and deflated clearings, it is smallest in the first and largest in the last group in bond yields, call money rates, and shares traded. In the last group of cycles the average rise is nearly the same as the average fall in shares traded and bond yields, not much smaller in call money rates, but considerably smaller in iron production. These differences suggest a hypothesis along the following lines. After a severe depression industrial activity rebounds sharply, but speculation does not. The following contraction in business is mild, which leads people to be less cautious. Consequently, in the next two or three cycles, while the cyclical advances become progressively smaller in industrial activity, they become progressively larger in speculative activity. Finally, the speculative boom collapses and a drastic liquidation follows, which ends this cycle of cycles and brings us back to the starting point. This hypothesis will repay exploration and may turn out to have substance.⁸

This is a fruitful way of interpreting developments, and these points have been drawn on by other writers, and have influenced the present study.

II Postwar Growth in Canada

Some of the charts and discussion in earlier pages suggest that swings in growth rates for a number of important Canadian series have occurred,

8. A.F. Burns and W.C. Mitchell, *Measuring Business Cycles*, (New York: N.B.E.R., 1946), p. 460.

in a rather similar fashion to those in other countries. Some of the literature has also suggested interpretations for a persistent mechanism for the recurring nature and differences in timing of different economic processes. A further test is to see if some of the patterns that have appeared in the past in other countries can be observed for a different country and a different time-period. This is a test of the persistence and importance of the underlying relationships.

Have economic developments in Canada (or the United States as well, for that matter) recently shown any of the characteristics of past long-cycle declines? Three steps will be followed in exploring this question:

- A. The main features of past long-cycle declines will be summarized;
- B. Any similarities in recent developments will be pointed out; and
- C. Some new features in the recent situation will be indicated.

A. Patterns over Past Long Cycles

On the basis of the experience in past long-cycle declines, there seem to be four recurrent developments that are quite apparent in the data and well accepted in the literature.

1. *Production*: The measures of physical production generally show the sharpest rates of increase quite early after a long-cycle trough. This is physically possible as the greatest degree of underutilization is present at this stage of the long cycle. Frequently, the period of sharpest increases has occurred within three years of the beginning of sustained recovery. There may be an extended period of slowing down in the growth rate before real weakness emerges. It should be noted that production increases more modestly and need not actually fall during long-cycle contractions. Since 1875 in the United States, real G.N.P. and industrial production have both only declined twice during long-cycle declines. On the other occasions, growth merely slowed down.

2. *Construction*: During a long-cycle expansion, the period of most rapid increase in the capital stock comes while the increases in physical activity have already begun to moderate. The per-

centage increases in the stock of capital exceed the increases in real output and demand. Such strength in the investment programme and these additions to the stock of capital are not sustainable, and the more rapid increases in physical and financial assets than in demand are soon reflected in narrowing profit margins. As management becomes aware of the more moderate nature of increases in sales and the more competitive environment, expansionary programmes become selective and modest. These changes are likely to be more pronounced in the commodity-producing industries, particularly if the earlier period of expansion had been vigorous and persistent.

Other areas of construction may continue at high levels. Their rate of increase may be checked, but not all areas of construction need decline. What distinguishes the periods of severe depression from more moderate depressions during periods of slow growth is the industrial extent of the declines in construction and production. In severe depressions, construction of houses, roads and other areas of social capital also decline reflecting the cumulative declines in income.

A declining proportion of investment in total output is one of the characteristics of a long-cycle decline.

3. *Industrial Diversity*: There is also some evidence that during periods of slow growth, there is less diversity in growth rates than during periods of more rapid growth. This was an important theme in Arthur Burns' study of production trends, and Mitchell summarizes these findings as follows:

During the years when the increase in general production has been exceptionally rapid, the decade rates of growth shown by individual industries have drifted apart sharply. This 'dispersion' has regularly reached a maximum when the trend-cycles reached their peaks. On the other hand, the decade rates of growth drift closer together when the increase in general production declines; dispersion falls to a minimum in the troughs of the trend-cycles. The suggestion is that exceptionally rapid growth disrupts the 'balance' of the industrial system and so causes grave business difficulties, while the ensuing retardation of growth restores the balance and so paves the way for another phase of rapid growth. But the mechanism of this proc-

ess and the part which random influences play in it remain to be worked out.⁹

4. *Severe Depressions*: Many authors have referred to the occurrence of a severe depression and periods of disappointing recovery during the periods of slow growth.¹⁰ During the nineteenth century, protracted depressions in the United States came about three years after the downturn in the building cycle.

B. Recent Similarities

A number of these patterns apparent in past long-cycle declines can be seen in the experience of the late 1950's and early 1960's.

The slowdown in over-all economic growth from 1957 to date has been widely recognized. (The year 1957 is used as April 1957 was the peak of that business-cycle expansion and 1956-57 were high years in the ratio of investment to G.N.P.) In the six years since 1957, the growth has been less than in the six years before 1957 for the following Canadian series: G.N.P. (both in value and real terms); employment; railway traffic and consumer expenditure per person, in real terms. Unemployment has never been below five per cent of the labour force since 1957, although it was never that high for a full calendar year before. Gross immigration has been considerably reduced, and in recent years net immigration has declined almost to zero. This slowdown has been widely recognized.¹¹

The investment programme has shifted from a source of strength to a source of weakness. In the second quarter of 1963 business capital spending was under \$5.0 billion (in 1957 dollars), compared to over \$6.0 billion in 1957, a drop of almost 18 per cent over six years. As a per cent of G.N.P.,

investment has declined almost one third since 1957. This decline in gross investment has been reflected in slower growth in the stock of capital (as shown in Chart 5). There has also been a shift in the composition of the investment program. The commodity-producing industries have declined in relative importance, and housing and social capital have become a larger part of private and public investment in Canada (growing from about 35 per cent of the total investment programme in 1957 to about 45 per cent in 1962). These changes are in line with experience in other long-cycle declines.

A narrowing in the difference in growth rates has developed since 1957. From 1947 to 1956, gross domestic product grew at a rate of 5.2 per cent, and half of the industries were spread from 3.9 to 6.2 per cent per year. In the 5½ years from the 1957 peak to the end of 1962 (the last figure available), the over-all growth had declined to 2.9 per cent, and the individual industries were more narrowly clustered around this. Even more dramatic than this, of course, is that 16 of the individual industries grew more slowly in the later period, and only two grew more rapidly. The slowdown in growth is widespread by industry and there is a tendency for the setback to be even more pronounced among the industries which were previously among the most rapidly growing. The same tendencies reappear in Table 2, which shows the differences in growth rates for individual industries within manufacturing and mining. Again the widespread slowdown and the tendency for the previous rapidly growing industries to experience more of a setback is apparent. In fact, some of the industries previously growing slowly have been among the few growing more rapidly in the later period (textiles, rubber and leather being examples). All of these changes are in line with earlier experience, as described by Arthur Burns on *Production Trends in the United States since 1870*.

Of the four symptoms of slow growth seen historically, the only one which has not been apparent during recent years is a severe depression. In summarizing the past, Abramovitz comments, "each period of retardation in the rate of growth of output has culminated in a protracted depression or in a period of stagnation in which business cycle recoveries were disappointing, failing to lift the economy to a condition of full employment

9. A.F. Burns, *Production Trends in the United States since 1870*, (New York: N.B.E.R., 1934), pp. xx-xxi.

10. Burns, *op. cit.*, page 251; Warren and Pearson, *World Prices and the Building Industry*, (New York, 1937), page 150; Abramovitz, *Joint Economic Committee Statement*, page 428, and "The Nature and Significance of Kuznets Cycles", pp. 234-241; and Burns and Mitchell, *Measuring Business Cycles*, (New York: N.B.E.R., 1946), page 460.

11. Wm. C. Hood, paper and evidence to the Senate Committee on Manpower and Employment; D.L. McQueen, paper to the Ottawa Chapter of the C.P.S.A., January 1962; Arthur J.R. Smith in a number of talks; Harry G. Johnson, *Canada in a Changing World Economy*, (University of Toronto Press in co-operation with Carleton University, 1963), pp. 31-49; Harry G. Johnson, *The Canadian Quandary* (McGraw-Hill, 1963), especially Chapters 5 and 9; Kenneth Buckley, *op. cit.*, etc.

TABLE 1
ANNUAL GROWTH RATES IN REAL OUTPUT, MAJOR INDUSTRIES
1947-1956 and 1957 II to 1962 IV

	(1) 1947-1956	(2) II Q. 1957- IV Q. 1962	(3) Difference Col.(2)-Col.(1)
Mining, quarrying, Oil Wells	11.7	3.8	-7.9
Electric power and gas	10.5	8.2	-2.3
Construction	9.1	-0.5	-9.6
Public Administration and defence	6.2	2.5	-3.7
Goods-producing industries less agriculture	6.1	2.6	-3.5
Total goods-producing industries	5.6	2.6	-3.0
Finance, insurance and real estate	5.5	3.8	-1.7
Gross Domestic Product less agriculture	5.4	2.9	-2.5
Gross Domestic Product	5.2	2.9	-2.3
Durable manufactures	5.1	2.6	-2.5
Manufacturing, total	5.0	2.8	-2.2
Service-producing industries	4.7	3.2	-1.5
Non-durable manufactures	4.5	3.1	-1.4
Trade	4.5	2.9	-1.6
Transportation, storage and communications	3.9	3.0	-0.9
Agriculture	3.6	2.5	-1.1
Fishing and trapping	3.6	4.2	+0.6
Community, recreation, business and personal service	3.5	3.8	+0.3

or doing so only transiently... The present writer's statement is based upon experience running back to 1816, while Burns is based on experience since the 1870's".¹²

C. Differences in Circumstances

Although there are some important similarities between the historical record and current experience, there are also some changes in circumstances, which can modify past patterns. A number of these differences can be pointed up.

1. *Long duration.* The low point in the last long cycle occurred in the 1930's, and there is still no clear evidence that the low point in the current one has been passed. This would make the duration of the full long cycle between the 1930's and 1960's well beyond the longer-term average experience. The longest previous full cycle in the United States was 21 years, and the average since

1819 is 14 years.¹³ There are, however, a number of factors that contribute to the unusual length of the full cycle. For one thing, the defence expenditures of the Second World War and the Korean War contributed to an extension of the period of growth, and accentuated the strengths that were already present in the private sector. In addition, the 1930's was the first period of extended reduction in the stock of capital in the United States since 1870. The extended period of demand strength subsequently contributed to a prolonged period of capital expansion. Development of such important new industries as television, uranium and atomic developments, synthetic fibres and plastics also introduced new elements of growth and change.

2. *Increased importance of government expenditures and taxes.* Since Confederation there has been an erratic upward tendency in the importance of government expenditure on goods and services

12. M. Abramovitz, "The Nature and Significance of Kuznets Cycles", p. 234. See also his Joint Economic Committee Statement, pp. 427-428 and Burns, *Production Trends in the United States since 1870*, p. 251.

13. M. Abramovitz, Joint Economic Committee Testimony, Table 3, page 435.

TABLE 2
ANNUAL GROWTH RATES IN REAL OUTPUT
MAJOR INDUSTRIES OF MINING AND MANUFACTURING
1947-1956 and 1957 II - 1962 IV

	(1) 1947-1956	(2) II Q. 1957- IV Q. 1962	(3) Difference Col.(2)-Col.(1)
Fuels	20.2	4.5	-15.7
Products of petroleum and coal	11.7	4.2	- 7.5
Non-metallic mineral products	9.3	5.2	- 4.1
Electrical apparatus and supplies	8.3	2.6	- 5.7
Chemicals and allied products	8.1	4.5	- 3.6
Metal mining	7.4	2.9	- 4.5
Miscellaneous manufacturing	6.9	8.0	+ 1.1
Non-metal mining	6.2	2.4	- 3.8
Mining and Manufacturing	6.0	3.0	- 3.0
Printing, publishing and allied industries	5.7	1.6	- 4.1
Transportation equipment	5.3	2.0	- 3.3
Tobacco and tobacco products	5.1	4.3	- 0.7
Paper products	5.0	2.6	- 2.4
Iron and steel products	4.5	1.8	- 2.7
Non-ferrous metal products	4.0	2.4	- 1.6
Foods and beverages	3.6	3.2	- 0.4
Wood products	2.9	3.6	+ 0.7
Clothing	2.7	-0.7	- 3.4
Textiles	2.5	4.4	+ 1.9
Rubber	2.1	3.0	+ 0.9
Leather	0.7	1.5	+ 0.8

in relation to G.N.P. In 1870 this was 4.6 per cent; 8.1 per cent in 1910; 11.1 per cent in 1929 and 16.2 per cent in 1962.¹⁴ The decisions in this area are not influenced by profit considerations and are more insulated from recessions. Transfer payments from governments to persons have also increased in relative importance. In the early years of the century they were relatively small, but had become about 2 per cent of personal income in 1929 and 12 per cent by 1962.¹⁵ Unemployment insurance payments would increase during recessions, but most other payments (old age pensions and family allowance payments) are contractual in nature. In addition, the increased importance of more cyclically volatile revenue

sources provides a greater degree of built-in stability from the revenue side. All of these changes have an important stabilizing influence, even apart from any new discretionary measures that may be introduced for stabilization purposes.

3. *Strengthened financial system.* Historically, a good deal of attention has had to be given to financial crises and monetary disturbances in inflations and deflations. "Many of the business-cycle contractions of the more remote past were accompanied by severe financial distress, credit liquidation, wholesale cancellation of orders, hoarding and other manifestations of loss of confidence or even panic".¹⁶ The financial system has been considerably strengthened since then, however. In the United States, "The monetary environment has changed significantly as compared with earlier long swings. The development of

14. O.J. Firestone, *Canada's Economic Development, 1867-1953*, (London: Bowes and Bowes, 1958), Table 38, page 127.

15. *National Accounts, Income and Expenditure, 1926-1956*, (Ottawa: Queen's Printer, 1958), page 28 and subsequent issue.

16. Geoffrey H. Moore, "The 1957-58 Business Contraction: New Model or Old?", *A.E.R.*, May 1959, page 304.

federal insurance of bank deposits and of the insured and amortized home mortgage has provided automatic safeguards against the liquidity panics and foreclosure waves that aggravated past depressions".¹⁷ There is some evidence, however, that there has been some deterioration in quality of credit that is similar in nature but not as pronounced as in the 1920's.

4. *Changes in other sources of instability.* A number of industrial shifts have occurred, but it is not clear whether the net effect is to reduce the degree of cyclical responsiveness. There has been an increase in the relative importance of the service industries (public utilities, government and other service industries), which are less vulnerable to recessions. There has also been a reduction in the importance of the railways and railway investment, an important feature of the earlier long cycles in Canada. The ratio of white to blue collar workers has increased, and production workers have become a smaller share of total employment. Workers have also become more highly trained. Both of these developments make employers more reluctant to cut back employment, if the market weakness may only be temporary. However, durable manufacturing has become more important, and the resource development industries (metals and forest products) have also become more important. These can be vulnerable to changes in domestic and foreign markets.

In the United States, immigration and the construction industry have both become less important than they were at the start of the century.¹⁸ In Canada, however, construction has been more important in the 1950's than in the 1920's, and approached the levels attained between 1900 and 1914 (see Chart 2). Immigration has been much more important relatively in Canada than in the United States, but it has been less important than before the First World War and again during the 1920's. However, internal migration and rural-urban shifts have been quite important in recent decades.

It is probable that the changes in the private non-financial sector have been less important than the changed patterns in government and the institutional changes in the financial system.

17. Bert G. Hickman, "The Postwar Retardation: Another Long Swing in the Rate of Growth", *A.E.R.*, May 1963, page 502.

18. M. Abramovitz, *Forty-Second Annual Report of the N.B.E.R.*, page 48 and B. Hickman, *op. cit.*, pp. 502-503.

D. Implications for Policy

In the next few pages, some of the implications of the distinctions between short and long cycles for economic policy will be outlined.

The first point to be noted is that the real concern about inflationary increases in prices and wages or the existence of idle resources of labour and capital arises if the time-period of difficulty is prolonged in time or intense. Temporary periods of price pressure or short periods of high unemployment create less economic difficulty and social hardship than more protracted periods. To take an example, the period of higher unemployment during the 1953-54 recession should cause less concern than the more extended period of unemployment of the late 1950's and early 1960's. In assessing the economic situation, it is important to have a view about these longer cycles and not just the shorter-term business cycle. The stage of the longer cycle affects the duration and vigour of the shorter-term business cycle. It is the longer-term fluctuations that create the more serious economic problems.

The length of time between initiating a change in policy and its effect on the levels of employment and real income affect the feasibility of using economic policy to stabilize the economy. The staff studies exploring these lags for Canada suggest that the response lags are quite long in relation to the duration of the shorter-term business cycle.¹⁹ The problems of having policies operate to reduce instability are two-fold. One is the technical problem of forecasting economic conditions for the short-cycle an extended period ahead. The second problem is having an adequate degree of understanding and support from key groups in the community to provide political support for such measures. There is a real risk that by the time adequate public support permitted the introduction of expansionary policies during recessions of the short duration experienced over the post-war years, the economy would be once again expanding by the time the main expansive results were being felt. Even for expansions of the duration of 1954 to 1957, the problem is still severe. In order to shift from restraint to expansionary policies to cope with the developing weakness in 1957, the shift might have had to

19. See footnote 1 for such studies. In the eight peacetime cycles from 1919 to 1961, contractions have averaged 16 months, expansions 28 months.

take place as early as the first half of 1956 to have an appreciable impact during the period of sharp declines. However, the first half of 1956 was showing more signs of price pressure and pressure in financial markets than had been apparent for some years. It would have been very difficult to have the technical assurance or public support to shift away from policies of restraint at that stage. The difficulty is that the response lags are long relative to the duration of the business cycle phases.

What should the objectives in stabilization policy be, under these circumstances? A more attainable objective would be to try to check and moderate the acute and persistent periods of inflationary pressure and the periods of more severe depression. On the basis of past experience, this might indicate a shift in policy about once a decade, rather than about five times a decade. Providing adequate public support was obtained, a policy followed persistently for a number of years would have a more extended period of time to become effective. Although it would still be difficult to shift policies as the longer-term changes developed, it should be technically easier to adjust policies infrequently for major changes than much more frequently for minor changes.

An important factor in the shorter-term business cycle is the swing in inventory investment of business firms. These swings are intensified by the unintended inventory accumulation or liquidation at business-cycle turning-points. Inventories play the role of a buffer between production and sales and bear part of the adjustment process in response to unexpected developments in the economy. If businessmen recognize changes in demand quickly and adjust production schedules accordingly, inventory swings will be more moderate than if recognition occurs belatedly. One interpretation of inventory change emphasizes the lags in recognition associated with the existence of seasonal variation and the widespread practice of making comparisons with the same month year ago.²⁰ More widespread use of seasonally-adjusted data by business firms would shorten this recognition lag and moderate inventory swings. The main responsibility for these minor cycles and the best hope for moderating them lies with the poli-

cies of business firms. Although some earlier economists had emphasized the possibility of monetary conditions affecting inventory spending, other studies by the Commission have only been able to find a comparatively minor direct influence of monetary conditions on the timing and extent of inventory accumulation and liquidation. Under these circumstances, shortening the recognition lags within business and financial firms may be a more promising way of moderating inventory swings than the use of overall monetary policy.

If government policy is directed at moderating the more severe swings in prices and unemployment, there may still be room for measures which moderate the hardship on individuals associated with changes in economic conditions that are beyond their control. Unemployment insurance, unemployment assistance and other social welfare measures can be of help in this regard. Measures to facilitate retraining and labour mobility are another area of assistance.

III Evidence for other Countries

Economic developments in Canada are heavily influenced by conditions elsewhere. To put the previous discussion in a wider context, a brief summary of previous work and developments elsewhere may be helpful.

There has been more study of the longer waves in the rates of change for the United States than for any other country. The first pioneering work in this area was published about three decades ago. Simon Kuznets was one of the early writers in this field and has emphasized the importance of these long swings, and has maintained interest in their study. Because of his sustained work in this area, they have been termed Kuznets swings or waves.²¹ He first described these longer swings

20. D.J. Daly, "Seasonal Variations and Business Expectations," *Journal of Business*, July 1959, pp. 258-270.

21. This term was apparently used first by Lewis and O'Leary, "Secular Swings in Production and Trade, 1870-1913", *The Manchester School of Economic and Social Studies*, XXIII, May 1955, pp. 113-152. The term Kuznets cycles is also being used by Abramovitz, Easterlin and Hickman. It should be noted that these swings are intermediate in duration between the Juglar and Kondratieff cycles popularized by Schumpeter. Subsequent work by Burns and Mitchell and George Garvy have not found much support for the Kondratieff cycle. See J.A. Schumpeter, *Business Cycles* (New York, 1939). For a thorough criticism of Kondratieff's work, including his Russian critics, see George Garvy, "Kondratieff's Theory of Long Cycles", *R.E. Stat.*, Nov. 1943, pp. 203-220, reprinted in Hansen and Clemence, *Readings in Business Cycles and National Income*, (New York: W.W. Norton and Co., 1953), pp. 438-466.

in production and prices in a book published more than three decades ago.²² He suggested an average duration of these cycles of 22 years on production series, and a similar behaviour on price series. He has continued this work in recent years, with special emphasis on the swings in population and investment.²³

Arthur Burns also explored these long swings, using a wide range of production series, and data on total production. He was particularly interested in the divergence of growth rates by industry and how these varied as the degree of vigour in the total economy changed. Abramovitz summarized the main points from this work as follows:

He found that the median rates of growth of the industries in his sample traced out definite oscillatory movements, that the pattern of these movements ran through the entire system of series, that irregularities were confined chiefly to the agricultural sector, that the waves in the median rates of growth were matched by the trend-cycles of indexes of total industrial production and of major industrial groups and that the same was true of trend-cycles in other aspects of the economy—prices, money in circulation, the monetary stock of gold, real earnings, business failures and patents issued. Burns felt able to conclude that the concurrence of trend-cycles in the various branches of non-agricultural production and their consilience with trend-cycles in other aspects of economic life created “a strong presumption that a long-term rhythm has been pervasive in the American economy since the Civil War”.²⁴

Moses Abramovitz has been working in this area for some years and has published several short papers. His method of measuring long cycles by using averages over full business cycles smooths away much of the variation *within* business cycles, while significant variations *between* different business cycles are still apparent. The

impact of severe depressions and variations in the vigour of different business-cycle expansions are significant in the smoothed data and permit any differences between the shorter-term business cycles that may be associated with the stage of the long cycle to be studied. Abramovitz has summarized the time-span and range of economic processes revealed by these swings as follows:

The economic development of the United States has, in the past, assumed an irregular wavelike form in which periods of years with relatively high rates of growth were succeeded by periods in which the rate was much lower. After allowance for short (three to five-year) business cycles, such fluctuations in growth rates stand out in records of total and non-agricultural output, capital formation, productivity, population and labor force growth, growth of the money supply, rate of change in prices, and other aspects of the economy. They are particularly prominent in residential building, railroad and canal construction, immigration, the balance of payments, and capital imports.

Evidences of such waves can be found in this country as early as the 1830's, and in the past they have run their course in ten to twenty years. (Recent experience, however, may not accord with this rule: if we treat the current wave of growth as an unbroken unit starting in the early 1930's, its duration appears outside the range of past experience. It is plausible to suppose, however, that this is due in part to the economic disturbances connected with World War II.)²⁵

Much of this work has given special attention to changes in construction and population, primarily because of an emphasis on their importance as a casual factor in these longer swings. A number of authors have studied the role of construction in these longer swings in economic activity, Abramovitz has been re-examining this area in recent years. He has reworked the basic data, studied the timing of construction in relation to other economic activities, and suggested a tentative interpretation of how the economic processes

22. Simon Kuznets, *Secular Movements on Production and Prices*, (New York: 1930), Chapter III—VI.

23. Simon Kuznets, “Long Swings in the Growth of Population and in Related Economic Variables”, *Proceedings of the American Philosophical Society*, Vol. 102, No. 1, Feb. 1958, pp. 25–52 and *Capital in the American Economy*, Princeton University Press, N.B.E.R., 1961, especially Chapters 7 and 8.

24. M. Abramovitz, “The Nature and Significance of Kuznets Cycles”, *Economic Development and Cultural Change*, IX, April 1961, page 227.

25. Staff Report, “Long Swings in Economic Growth in the United States”, N.B.E.R. *Fortieth Annual Report*, May 1960, page 19.

interact.²⁶ As there is considerable similarity in the timing of a wide range of types of construction activity and in different geographic areas, he emphasizes the importance of common influences on the demand side. The structure of the industry contributes to long lags in the adjustment of supply to demand, and the persistence of excess demand or excess supply for extended periods. An additional feature of this evidence on construction cycles is that the duration and vigour of shorter construction cycles is related to the major longer cycles. Some evidence on this is apparent in the accompanying table and Abramovitz has summarized American experience as follows:

So long as the long-term demand for additional capital is strong and rising, business recessions will not cause, or be accompanied by, serious slumps in investment in durable equipment and construction. Business re-

cessions will, therefore, tend to be mild and brief and recoveries will carry the economy back to full employment. Contrariwise, when the long-term demand for additional capital equipment slumps, depressions will be deep; revivals, if they occur, will be weak or transient and sustained recovery delayed.²⁷

Population changes and immigration get considerable attention in the study of these longer swings. Periods of strong activity in the United States are reflected in high birth rates, high immigration (until more restrictive policies were introduced in the 1920's), and high internal migration. There has been much discussion of the interrelations between migration, investment, and international trade and capital movements between the major industrial countries.²⁸ The similarity in timing of emigration from a number of European countries suggests this was related to periods of

TABLE 3
AVERAGE DURATIONS AND AMPLITUDES OF SHORT SPECIFIC CYCLES IN CONSTRUCTION,
CLASSIFIED BY PHASE OF LONG SWINGS, 1869-1959^a
UNITED STATES

(gross (new) construction in 1929 prices)

	Durations Years	Amplitudes	
		Total	Per Annum
Expansions during long upswings	3.12	36.5%	14.1%
Expansions during long downswings	1.00	9.4	9.4
Contractions during long upswings	1.36	-4.7	-3.7
Contractions during long downswings	2.38 (2.50) ^b	-36.8 -(32.4) ^b	-16.0 -(13.1) ^b

SOURCE OF UNDERLYING ANNUAL DATA: technical tables in Simon Kuznets, *Capital in the American Economy: Its Formation and Financing*, extended from 1954 by Abramovitz on the basis of similar sources and methods.

26. Moses Abramovitz, Testimony at Hearings, Joint Economic Committee, *Employment, Growth and Price Levels*, April 10, 1959, pp. 411-466. "The Nature and Significance of Kuznets Cycles", loc. cit., *Evidences of Long Swings in Aggregate Construction Since the Civil War*, N.B.E.R. Occasional Paper 85 (forthcoming) and his Staff Reports in the following National Bureau Annual Reports, May 1960, pp. 19-21, May 1961, pp. 27-30 and June 1962, pp. 46-48.

a The long-swing chronology for this series is as follows. Troughs: 1869 (initial or terminal date of series, not necessarily a long-swing turning-point), 1899, 1920, 1933, 1944 (wartime turning-point). Peaks: 1892, 1913, 1926, 1942, (wartime turning-point), 1959 (initial or terminal date of series, not necessarily a long-swing turning-point).

b Figures in parentheses exclude wartime movements. From *Forty-First Annual Report*, N.B.E.R., May 1961, page 28.

27. M. Abramovitz, Joint Economic Committee testimony, April 10, 1959, page 428.

28. A.K. Cairncross, *Home and Foreign Investment, 1870-1913*, (Cambridge University Press, 1953); Brinley Thomas; *Migration and Economic Growth*, (Cambridge University Press, 1954); Simon Kuznets, "Long Swings in the Growth of Population and Related Economic Variables", *Proceedings of the American Philosophical Society*, Vol. 102, No. 1, 1958, pp. 25-52; R.A. Easterlin, "Influences in European Overseas Emigration Before World War I," *Economic Development and Cultural Change*, April 1961, pp. 331-351, and "The American Baby Boom in Historical Perspective," A.E.R., Dec. 1961, pp. 869-911, reprinted as N.B.E.R. Occasional Paper 79; and J.G. Williamson, "The Long Swing: Comparisons and Interactions between British and American Balance of Payments, 1820-1913", *Journal of Economic History*, March 1962.

high demand for labour in the United States. The outward movement of long-term capital has been reflected in different balance of payments developments in the United Kingdom and the United States, and contrasts between investment and export trade in the United Kingdom.

There is also scattered evidence to suggest that these long swings have occurred in other countries as well. Lewis and O'Leary reviewed

the results from 46 series for the United States, the United Kingdom, Germany and France, covering the major industrial countries. Similar long swings appeared also in series for some other countries, including Sweden, Russia, Argentina, Australia, India, Brazil, Roumania and China, and some world trade and production series.²⁹ Work for other countries has not been as extensive as in the United States, however.

29. W.A. Lewis and P.J. O'Leary, "Secular Swings in Production and Trade, 1870-1913", *The Manchester School of Economic and Social Studies*, XXIII, May 1955, pp. 113-152.

NOTES ON CHARTS

Chart 1.

Canada. G.N.P. 1935-39 dollars. D.B.S. *National Accounts* constant dollar series from 1926-1962, linked arithmetically to series developed by O.J. Firestone *Canada's Economic Development 1867-1953*, p. 276.

Chart 2.

Immigration as Per Cent of Population, Canada, 1870 to date.

Number of Immigrants, annually, 1865-1900, *Canada Year Book* 1942, p. 153; 1900-1956, Department of Citizenship and Immigration, *Emigration* 1956, p. 6; 1956 to present, D.B.S. *Statistical Review*. Population annual estimates, 1867-1958, M.C. Urquhart and K.H. Buckley, Editors, *Historical Statistics of Canada*, Cambridge University Press, forthcoming; 1958 to present, D.B.S. *Statistical Review*.

Balance of Trade as Per Cent of Total Trade, Canada, 1870 to date. Merchandise imports and exports, annually, also import and export price indexes for same period, linked arithmetically to obtain total trade and balance of trade in terms of 1926 dollars, *Historical Statistics of Canada*; 1926 to present, D.B.S. *Canadian Statistical Review*, *Historical Summary*, 1963 Edition.

Urban Building in Relation to G.N.P., Canada, 1870 to present. Annual Index of Urban Building Activity 1867-1945, 1900=100, K.H. Buckley, "Urban Building and Real Estate Fluctuations in Canada". *Canadian Journal of Economics and Political Science*, Feb. 1950, No. 1., p. 58; 1945 to present, extending on basis of Urban building permits, D.B.S. *Statistical Review*. Sources of G.N.P. series: see notes for Chart 1.

Chart 3.

Long Cycles in G.N.P. and Urban Building Activity, United States and Canada, 1870 to date.

United States G.N.P., 1929 dollars, S. Kuznets, *Capital in the American Economy*, from 1871-1955, p. 487-563; 1955 to present, Department of Commerce, *U.S. Income and Output*.

United States Urban Building Activity, Riggleman-Isard 1868-1933 Arithmetically linked to Construction Contracts 1933-1955, U.S. Bureau of Census, *Historical Statistics of the United States, Colonial Times to 1957*, p. 383-384.

Canadian series: see notes for Chart 1 and 2.

Chart 4.

United States, Annual Changes in G.N.P. and Capital Stock, 1889-1953.

Sources for G.N.P. series, see note on Chart 3.

Capital Stock, 1889-1953, J.W. Kendrick, *Productivity Trends in the United States*, p. 320.

Chart 5.

Canada. Annual Changes in G.N.P. and Capital Stock, 1926-1963.

G.N.P., 1949 dollars, D.B.S. *National Accounts*;

Private Non-farm non-residential Capital Stock, 1949 dollars, Department of Trade and Commerce Estimate.