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# Annual Report



Canada Deposit  
Insurance Corporation

Société d'assurance-dépôts  
du Canada

**Year Ended December 31, 1980**

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Canada

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# Annual Report



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du Canada

John F. Close, C. A.  
Chairman of the Board  
Président du Conseil

March 12, 1981

The Honourable Allan MacEachen, P.C., M.P.,  
Minister of Finance,  
House of Commons,  
Ottawa, Ontario.

Dear Mr. MacEachen:

I have the honour to submit to you the Annual Report of the  
Canada Deposit Insurance Corporation for the fiscal year ended  
December 31, 1980.

Yours very truly,

JOHN F. CLOSE,  
Chairman.

Suite 1808  
112 Kent Street  
P.O. Box 2340  
Station D  
Ottawa, Ontario  
K1P 5W5  
(613) 996-2081

Ste 1808  
112 rue Kent  
C.P. 2340  
Succursale D  
Ottawa, Ontario  
K1P 5W5  
(613) 996-2081

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## ANNUAL REPORT

### Year Ended December 31, 1980

The Canada Deposit Insurance Corporation was established in 1967 by the Canada Deposit Insurance Corporation Act (Chapter 3 of the Revised Statutes of Canada, 1970, as amended). The main object of the Corporation, is to provide, for the benefit of persons having deposits with member institutions, insurance against the loss of part or all of such deposits.

The Act provides that the Corporation may, with the approval of Governor in Council, make by-laws relating to the administration of the affairs of the Corporation and the Canada Deposit Insurance Corporation General By-law (Chapter 383 of the Consolidated Regulations of Canada, as amended) was made pursuant to that authority. Office consolidations of the Act and General By-law are available from the Corporation upon request.

For the year ended December 31, 1980, the Corporation's excess of income over expenditures, before taxes, was \$17,582,375 as shown in the financial statements. A net amount of \$9,493,902, after providing for income tax, was credited to the Accumulated Net Earnings.

The deposits with member institutions insured by the Corporation totalled \$96,078 million as at December 31, 1980, which comprised \$87,178 million in federal institutions and \$8,900 million in provincial institutions. Premiums payable by member institutions for the year totalled \$21.9 million. The Deposit Insurance Fund totalled \$147.5 million at year end.

The Deposit Insurance Fund, including the Accumulated Net Earnings, totalled \$196,395,796 representing an increase over the previous year of \$31,426,100.

Subsection 19(8.2) of the Canada Deposit Insurance Corporation Act authorizes the Corporation, subject to

stated limitations, to pay a premium rebate to member institutions where in the opinion of the Corporation the Deposit Insurance Fund at the end of a financial year is adequate having regard to all the circumstances. In 1980, the Corporation did not pay a premium rebate (Note 8).

Subsequent to the year end, the Board of Directors, following the practice of previous years authorized a reduction for the forthcoming premium year in the premium payable by member institutions to the minimum provided for in Section 19 of the Act.

The Astra Trust Company was placed in liquidation effective July 1980 and the Corporation thereupon took immediate steps to discharge its obligations to the insured depositors. The Corporation arranged with the Liquidator to make the payments of all the insured deposits and to December 31st payments totalling \$21,071,508 had been made (Note 7). By such action, the Corporation is subrogated to the rights and interests of the depositors against the Astra Trust Company for the amount of the payments. Prior to July, the Corporation had been providing funds to the Astra Trust Company in the form of loans, fully secured by mortgages and bonds, to enable the Company to meet its commitments to depositors. The loans totalled \$8.4 million (Note 4).

Under the terms of the Act and on behalf of the Corporation, the Superintendent of Insurance examined the affairs of the federally incorporated Trust Companies and Loan Companies, numbering 57, and the Inspector General of Banks examined the affairs of the Banks, numbering 12. Provincial institutions, numbering 54, were examined on behalf of the Corporation by persons designated by the Corporation for that purpose.



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## BOARD OF DIRECTORS

The terms of the Act provide that the Board shall consist of five (5) directors, one of whom is Chairman. The Chairman is appointed by Governor in Council and the four (4) members are to be the persons holding the respective offices of the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks. However, a director may, with the approval of the Minister, designate in writing an alternate to attend in his absence at any meeting of the Board.

Members of the Board as at December 31, 1980:

Messrs. John F. Close,	Chairman
G.K. Bouey,	Governor of the Bank of Canada
I.A. Stewart,	Deputy Minister of Finance
R. Humphrys,	Superintendent of Insurance
W.A. Kennett,	Inspector General of Banks

Mr. T.J. Davis is the Secretary-Treasurer of the Corporation.



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

The Honourable Allan J. MacEachen, P.C., M.P.  
Minister of Finance  
Ottawa, Ontario

I have examined the balance sheet of the Canada Deposit Insurance Corporation as at December 31, 1980 and the statements of income and accumulated net earnings and changes in cash resources for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements give a true and fair view of the financial position of the Corporation as at December 31, 1980 and the results of its operations and the changes in its cash resources for the year then ended in accordance with the accounting policies described in Note 2, applied on a basis consistent with that of the preceding year.

I further report that, in my opinion, proper books of account have been kept by the Corporation, the financial statements are in agreement therewith and the transactions that have come under my notice have been within its statutory powers.

Michael H. Rayner  
Acting Auditor General of Canada

Ottawa, Ontario  
January 26, 1981

**CANADA DEPOSIT INSURANCE CORPORATION**  
(Established by the Canada Deposit Insurance Corporation Act)

Balance Sheet  
as at December 31, 1980

<u>ASSETS</u>			<u>LIABILITIES</u>		
	1980	1979		1980	1979
Cash and cash equivalents (Note 3)	\$ 66,907,964	\$ 66,415,297	Accounts payable (Note 7)	\$ 981,556	\$ 107,746
Premiums and other accounts receivable	5,762,918	4,778,476	Current income taxes	235,692	599,034
Secured loans — Astra Trust Company (Note 4)	8,400,000	—	Deferred income taxes	2,539,718	2,286,937
Accrued interest	3,274,685	2,747,502		<u>3,756,966</u>	<u>2,993,717</u>
Investments (Note 5)	91,935,973	91,821,033			
Assets acquired from a member institution (Note 6)	2,037,543	2,160,397			
Claims re insured deposits (Note 7)			<b>DEPOSIT INSURANCE FUND</b>		
Commonwealth Trust Company	1	1	Balance, beginning of the year	\$ 125,672,278	\$ 114,320,181
Astra Trust Company	21,791,946	—	Premiums (Note 8)	21,877,967	17,352,097
Fixed assets			Rebates (Note 8)	—	(6,000,000)
Furniture and leasehold improvements	61,264	50,884	Balance, end of the year	147,550,245	125,672,278
Less: accumulated depreciation	(19,532)	(10,177)	Accumulated net earnings	48,845,551	39,297,418
				<u>196,395,796</u>	<u>164,969,696</u>
	<u>\$ 200,152,762</u>	<u>\$ 167,963,413</u>		<u>\$ 200,152,762</u>	<u>\$ 167,963,413</u>

The accompanying notes are an integral part of the financial statements.

Certified correct:

Approved by the Board:

T.J. DAVIS  
Secretary-Treasurer

JOHN F. CLOSE  
Chairman

RICHARD HUMPHRYS  
Director

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## **CANADA DEPOSIT INSURANCE CORPORATION**

### **Statements of Income and Accumulated Net Earnings** **for the year ended December 31, 1980**

	<b>1980</b>	<b>1979</b>
Revenue		
Return on investments	\$ 18,398,738	\$ 14,558,251
Expense		
Inspection and other fees and expenses	565,056	203,327
Salaries and employee benefits	134,964	114,537
General, administrative and other	<u>116,343</u>	<u>164,152</u>
	<u>816,363</u>	<u>482,016</u>
Net income before taxes	17,582,375	14,076,235
Provision for income taxes		
Current	7,835,692	5,399,162
Deferred	<u>252,781</u>	<u>1,104,937</u>
	<u>8,088,473</u>	<u>6,504,099</u>
Net income for the year	9,493,902	7,572,136
Accumulated net earnings, beginning of the year	39,297,418	31,602,501
Recovery of claim (Note 7)	<u>54,231</u>	<u>122,781</u>
Accumulated net earnings, end of the year	<u>\$ 48,845,551</u>	<u>\$ 39,297,418</u>

The accompanying notes are an integral part of the financial statements.



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## **CANADA DEPOSIT INSURANCE CORPORATION**

### **Statement of Changes in Cash Resources** **for the year ended December 31, 1980**

	<u>1980</u>	<u>1979</u>
Cash resources provided		
Operations		
Net income for the year	\$ 9,493,902	\$ 7,572,136
Add (deduct):		
Provision for deferred income taxes	252,781	1,104,937
Net amortization of premium and discount	(176,817)	(141,938)
Depreciation and amortization	<u>9,355</u>	<u>10,177</u>
	9,579,221	8,545,312
Premiums credited to the Deposit Insurance Fund	21,877,967	17,352,097
Decrease in investments — net	61,000	14,556,500
Realization of assets acquired from member institutions — net	123,731	286,372
Increase in accounts and income taxes payable	510,468	203,592
Recovery of claim re insured deposit payments	<u>54,231</u>	<u>122,781</u>
	<u>32,206,618</u>	<u>41,066,654</u>
Cash resources applied		
Secured loans — Astra Trust Company	8,400,000	—
Premium rebates	—	6,000,000
Increase in accrued interest receivable	527,183	1,818,214
Increase in premium and other receivables	984,442	1,356,422
Purchase of fixed assets	10,380	50,884
Increase in claims re insured deposits	<u>21,791,946</u>	<u>—</u>
	<u>31,713,951</u>	<u>9,225,520</u>
Increase in cash resources <sup>(1)</sup>	492,667	31,841,134
Cash resources, beginning of the year	<u>66,415,297</u>	<u>34,574,163</u>
Cash resources, end of the year	<u>\$ 66,907,964</u>	<u>\$ 66,415,297</u>

<sup>(1)</sup>Cash resources include cash, short-term deposits and treasury bills (Note 3).  
The accompanying notes are an integral part of the financial statements.

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## CANADA DEPOSIT INSURANCE CORPORATION

### Notes to Financial Statements December 31, 1980

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#### 1. Objective of the Corporation

The Canada Deposit Insurance Corporation was incorporated as a Crown corporation on April 17, 1967 under the provision of the Canada Deposit Insurance Corporation Act. The Corporation is, for all purposes of this Act, an agent of Her Majesty and all property acquired by the Corporation is the property of Her Majesty.

The Corporation's principal objective is to provide insurance on deposits with federal institutions (banks, trust and loan companies) and with approved provincial institutions (trust and loan companies) up to \$20,000 per depositor per institution.

#### 2. Significant accounting policies

##### a) Deposit Insurance Fund

Premiums are assessed against member institutions based on the insurable deposits held by those institutions as of April 30 of each year. Premiums are credited directly to the Deposit Insurance Fund in accordance with section 18 of the Canada Deposit Insurance Corporation Act. Premium rebates, representing a refund of premiums previously paid, are charged directly to the Deposit Insurance Fund.

In accordance with section 20(2) of the Canada Deposit Insurance Corporation Act, the Corporation's accumulated net earnings are reported as a separate item on the balance sheet, and shown as an addition to the Deposit Insurance Fund.

##### b) Recognition of losses

Provisions for losses arising from actions taken to secure the subrogation of depositors' rights and interests are recorded in the year these actions are taken or as soon as possible thereafter when the losses can be reasonably estimated. Such provisions are recorded as a direct charge against accumulated net earnings.

##### c) Revenue

Return on investments include gains and losses on sales of investments and the annual amortization of premiums and discounts on fixed term securities.

##### d) Income taxes

Income taxes are accounted for on the tax allocation basis, which relates the provision for income taxes to the reported accounting income or loss for the period. Significant timing differences between the income or losses reported for accounting and for tax purposes arise from the exclusion of accrued interest from income for tax purposes and from claiming an investment reserve, for tax purposes.

##### e) Fixed assets

Depreciation on furniture and equipment is calculated at 20%, per annum, on the declining balance method; leasehold improvements are amortized on a straight line basis over 5 years.

##### f) Asset valuation

Fixed assets, treasury bills and mortgages are recorded at cost. The cost of bonds and debentures are adjusted for the amortization of discounts and premiums.

#### 3. Cash and cash equivalents

	1980	1979
Cash	\$ 48,309	\$ 49,380
Short-term deposits	800,000	500,000
Treasury bills	<u>66,059,655</u>	<u>65,865,917</u>
Total	<u>\$ 66,907,964</u>	<u>\$ 66,415,297</u>

#### 4. Secured loans — Astra Trust Company

These represent fully secured loans made to the company prior to its liquidation.



## 5. Investments — Canada bonds

Due Date	Par Value	Amortized Cost	Market Value
1981	\$ 10,000,000	\$ 9,998,527	\$ 9,740,000
1982	30,000,000	29,933,191	28,925,000
1983	32,350,000	32,078,825	30,154,850
1984	<u>20,000,000</u>	<u>19,925,430</u>	<u>18,575,000</u>
Total investments, December 31, 1980	\$ <u>92,350,000</u>	\$ <u>91,935,973</u>	\$ <u>87,394,850</u>
Total investments, December 31, 1979	\$ <u>92,350,000</u>	\$ <u>91,821,033</u>	\$ <u>86,809,150</u>

## 6. Assets acquired from member institution

	1980	1979
Canada bonds	\$ 158,938	\$ 158,824
Other bonds and debentures	<u>1,109,034</u>	<u>1,113,271</u>
	1,267,972	1,272,095
Mortgages	<u>769,571</u>	<u>888,302</u>
	\$ <u>2,037,543</u>	\$ <u>2,160,397</u>

Market value of Canada bonds and other bonds and debentures at December 31, 1980 was \$821,088 (1979 — \$867,515).

## 7. Claims re insured deposit payments

### a) Commonwealth Trust Company

In 1970, under the provisions of section 13 of the Canada Deposit Insurance Corporation Act, the Corporation, by paying \$5,432,971, acquired all the rights and interests of the depositors against the member institution which was in receivership. Recoveries to December 31, 1980 totalled \$4,992,971

which include an amount of \$54,231 received during the year, leaving a balance of \$440,000 outstanding. The Corporation has recorded this claim at \$1 since 1976; subsequent recoveries are credited directly to the accumulated net earnings.

### b) Astra Trust Company

During the year, Astra Trust was placed in liquidation and the Corporation paid claims for insured deposits totalling \$21,071,508. Further claims included in accounts payable as at December 31, 1980 totalled \$720,438. The recoveries of these claims by the Corporation are anticipated to be significant but they cannot yet be reasonably estimated and accordingly a provision for a loss by the Corporation on the realization of the assets of the Astra Trust Company to offset the claims paid has not been recorded.

Certain claims have been filed against the Corporation with respect to a non-member institution which are alleged to be related to the operations of the Astra Trust Company. The Corporation is of the opinion that it is not liable in this connection and therefore no provision for losses has been made.

## 8. Premiums and premium rebates

As provided in section 19(8) of the Canada Deposit Insurance Corporation Act and as approved by the Board of Directors on February 13, 1980, member institutions were assessed reduced premiums for the year. Under section 19(8.2) of the Canada Deposit Insurance Corporation Act, the Corporation may pay a premium rebate to member institutions. No premium rebate was paid in 1980 (1979 — \$6 million).

## 9. Insured deposits

Deposits insured by the Corporation, based on returns received from member institutions, totalled \$96,078 million as of April 30, 1980, representing \$87,178 million for federal institutions and \$8,900 million for provincial institutions.

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## MEMBER INSTITUTIONS — FEDERAL

The deposits with federal institutions that were carrying on business at the time the Act came into force on April 17th, 1967 were insured from that date. Deposits made with federal institutions that are licensed under the Trust Companies Act or the Loan Companies Act after April 17th, 1967 are insured from the date the institutions commenced business.

As at December 31, 1979, sixty-one (61) federal institutions were members of the Corporation. During the year 1980:

- (a) The following companies commenced business and therefore, being federally incorporated, automatically became member institutions: Citizens Trust Company, First City Mortgage Company, North Canadian Trust Company, Scotia Covenants Mortgage Corporation, Standard Loan Company, Stanmor Mortgage Corporation, Western Capital Trust Company.
- (b) The name of the CCIB Mortgage Investment Corporation of Alberta was changed to CCB Mortgage Investment Corporation;  
the name of the Commerce Capital Mortgage Corporation was changed to Eaton Bay Mortgage Corporation; and  
the name of the International Savings & Mortgage Corporation was changed to Victoria and Grey Mortgage Corporation.
- (c) The Fort Garry Trust Company, incorporated in the Province of Manitoba became federally incorporated.

The sixty-nine (69) federal member institutions at December 31, 1980, of which twelve (12) are Banks and fifty-seven (57) are Trust or Loan Companies, are:

### BANKS

#### Chartered Banks

Bank of British Columbia  
Canadian Commercial & Industrial Bank <sup>3</sup>  
Canadian Imperial Bank of Commerce  
Continental Bank of Canada  
The Mercantile Bank of Canada  
Bank of Montreal  
National Bank of Canada  
Northland Bank  
The Bank of Nova Scotia  
The Royal Bank of Canada  
The Toronto Dominion Bank

#### Savings Bank

The Montreal City and District Savings Bank

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## TRUST AND LOAN COMPANIES

- AMIC Mortgage Investment Corporation
- Astra Trust Company (Note 7)
- Bayshore Trust Company
- BNS Mortgage Corporation
- Canada Permanent Mortgage Corporation
- Canada Permanent Trust Company
- The Canada Trust Company
- Canada Trustco Mortgage Company
- CCB Mortgage Investment Corporation
- Central and Eastern Mortgage Corporation
- Central and Eastern Trust Company
- Citizens Trust Company
- Continental Trust Company
- Co-Operative Trust Company of Canada
- Eaton Bay Mortgage Corporation
- Eaton/Bay Trust Company
- The Equitable Trust Company
- Equitrust Mortgage and Savings Company
- Evangeline Savings and Mortgage Company
- Fedco Mortgage Investment Company
- The Fidelity Trust Company
- Fidmor Mortgage Investors Corporation
- First City Mortgage Company
- Fort Garry Trust Company
- Granville Savings and Mortgage Corporation
- Greymac Mortgage Corporation
- Guaranty Trust Company of Canada
- Income Trust Company
- The International Trust Company
- Kinross Mortgage Corporation
- League Savings & Mortgage Company
- The Merchant Trust Company
- Montreal Trust Company of Canada
- Morgan Trust Company of Canada
- Morguard Home Mortgage Investment Corporation
- Morguard Mortgage Investment Company of Canada
- Morguard Trust Company
- North Canadian Trust Company
- Northguard Mortgage Corporation
- Nova Scotia Savings & Loan Company
- Pacific Savings and Mortgage Corporation
- Pioneer Trust Company
- The Premier Trust Company
- Procan Mortgage Corporation
- The Regional Trust Company
- Royal Trust Corporation of Canada
- Royal Trustco Mortgage Company
- RoyMor Mortgage Corporation
- Scotia Covenants Mortgage Corporation
- Seel Mortgage Investment Corporation
- Settlers Savings and Mortgage Corporation
- Standard Loan Company
- Standard Trust Company
- Stanmor Mortgage Corporation
- Sterling Trust Corporation
- Victoria and Grey Mortgage Corporation
- Western Capital Trust Company

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## MEMBER INSTITUTIONS — PROVINCIAL

A provincial institution may become a member of the Corporation if it is authorized by the province of its incorporation to apply for deposit insurance and if it agrees not to exercise powers substantially different from the powers exercisable by a federal trust or loan company as the case may be.

Prior to coming into force of the Canada Deposit Insurance Corporation Act, the Province of Ontario had instituted a deposit insurance plan of its own covering all the Loan Companies and Trust Companies in the province. This plan, which came into effect on February 10, 1967, was similar to the plan instituted by the Canada Deposit Insurance Corporation Act. After the Canada Deposit Insurance Corporation Act came into effect, the Ontario plan was suspended and all the Ontario companies concerned were subsequently accepted as members of the Corporation effective April 29, 1967.

An Indemnity Agreement between the Corporation and the Province of Alberta applicable to four companies incorporated under the legislation of that province has been terminated.

During 1967, the Province of Quebec adopted legislation to establish a plan of deposit insurance applicable to all institutions that accept deposits in that province. The plan guarantees not only deposits within the province, but also provides for the guarantee of deposits accepted outside Quebec by institutions incorporated in Quebec. In order to avoid duplication of insurance and to meet the desires of provinces where such deposits are located, an agreement was reached between the Corporation and the Quebec Deposit Insurance Board, with the approval of the respective governments, providing as follows:

1. for Quebec institutions that become members, the Canada Deposit Insurance Corporation will

insure deposits outside Quebec accepted by such institutions.

2. The Quebec Deposit Insurance Board will guarantee deposits in Quebec accepted by institutions incorporated in Quebec or in other Provinces. Where the Canada Deposit Insurance Corporation was insuring deposits accepted in Quebec by institutions incorporated in other provinces, it agreed to terminate its insurance on those deposits on application by the institution with the concurrence of the province of incorporation.
3. The Canada Deposit Insurance Corporation will continue to insure deposits accepted by federally incorporated institutions, whether accepted in Quebec or elsewhere in Canada, and Quebec will refrain from levying any charge for deposit insurance on such institutions.
4. The Canada Deposit Insurance Corporation is empowered to make short term secured loans to the Quebec Deposit Insurance Board to enable it to meet emergency liquidity needs in connection with its insurance operations.

In order to implement the above understanding the required amendments to the Canada Deposit Insurance Corporation Act came into effect on March 27, 1968, and on December 23, 1968 an Agreement between the Corporation and the Quebec Deposit Insurance Board was executed.

The Corporation is insuring the deposits located outside the Province of Quebec accepted by the following institutions incorporated in that province: Citicorp Trust Company, Credit Foncier Franco-Canadien, Credit Foncier Trust Company, General Trust of Canada, Guardian Trust Company, Montreal Trust Company, The Morgan Trust Company, North America Trust,

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The Royal Trust Company and The Royal Trust Company Mortgage Corporation.

The Quebec Deposit Insurance Board is providing the guarantee for the deposits located in Quebec accepted by companies incorporated in

(a) Ontario: Crown Trust Company, Federal Trust Company, National Trust Company Limited, Tordom Corporation, Victoria and Grey Trust Company, and

(b) Alberta: Eaton Bay Trust Company (Alberta)

All these companies are members of the Canada Deposit Insurance Corporation which insures their deposits outside Quebec.

During the year 1980, a Policy of Deposit Insurance was issued to the following companies: HFC Trust Limited (Prince Edward Island) and the Pacific Western Trust Corporation (Saskatchewan).

The Canadian First Mortgage Corporation and the Victoria and Grey Trust Company amalgamated during the

year; the continuing company being the Victoria and Grey Trust Company.

The name of the Commerce Capital Trust Company, a company incorporated in the Province of Alberta, was changed to Eaton Bay Trust Company (Alberta).

The name of the Fort Garry Trust Company was deleted from the list of provincial member institutions and is now included in the list of federal members.

The name of the Victoria Grey Metro Trust Company, a company incorporated in the Province of Ontario, was changed to the Victoria and Grey Trust Company.

At December 31, 1979, fifty-three (53) provincially incorporated Loan Companies and Trust Companies were members of the Corporation. Although two (2) additional companies were accepted as members of the Corporation during 1980, the total number of provincial institutions at year end totalled fifty-four (54).

The provincially incorporated member institutions at December 31, 1980, are:



## TRUST AND LOAN COMPANIES

<p>             Atlantic Trust Company <i>MS</i>              Cabot Trust Company <i>Q</i>              The Canborough Corporation <i>Q</i>              Citicorp Trust Company <i>Q</i>              Columbia Trust Company <i>BC</i>              Community Trust Company Ltd. <i>Q</i>              Continental Estates Corporation Ltd.              Counsel Trust Company <i>Q</i>              Credit Foncier Franco-Canadien <i>Q</i>              Credit Foncier Trust Company <i>Q</i>              Crown Trust Company <i>Q</i>              District Trust Company <i>Q</i>              The Dominion Trust Company <i>Q</i>              Eaton Bay Trust Company (Alberta) <i>A</i>              The Effort Trust Company <i>Q</i>              Family Trust Corporation <i>Q</i>              Federal Trust Company <i>Q</i>              Financial Trust Company <i>Q</i>              First City Trust Company <i>A</i>              First Western Trust Company <i>A</i>              General Trust of Canada <i>Q</i>              Guardian Trust Company <i>Q</i>              Heritage Savings &amp; Trust Company <i>A</i>              HFC Trust Limited <i>VEI</i>              Home Savings &amp; Loan Corporation <i>Q</i>              Huronia Trust Company <i>Q</i>              Inland Trust and Savings Corporation Ltd. <i>M</i> </p>	<p>             Investors Group Trust Co. Ltd. <i>M</i>              Landmark Savings and Loan Association <i>Q</i>              London Loan Limited <i>Q</i>              Macdonald-Cartier Trust Company <i>Q</i>              Monarch Trust Company <i>Q</i>              Montreal Trust Company <i>Q</i>              The Morgan Trust Company <i>Q</i>              The Municipal Savings &amp; Loan Corporation <i>Q</i>              The Municipal Trust Company <i>Q</i>              National Trust Company Limited <i>Q</i>              Nipissing Mortgage Corporation <i>Q</i>              Norfolk Trust <i>S</i>              North America Trust <i>Q</i>              North West Trust Company <i>A</i>              Pacific Western Trust Corporation <i>S</i>              Principal Savings and Trust Company <i>A</i>              The Royal Trust Company <i>Q</i>              The Royal Trust Company Mortgage Corporation <i>Q</i>              Saskatchewan Trust and Loan Company <i>S</i>              Seaway Trust Company <i>Q</i>              Security Trust Company <i>Q</i>              Shoppers Mortgage and Loan Corporation <i>Q</i>              Termguard Savings &amp; Loan Company <i>Q</i>              Tordom Corporation <i>Q</i>              Vanguard Trust of Canada Limited <i>Q</i>              Victoria and Grey Trust Company <i>Q</i>              Yorkshire Trust Company <i>N.S.</i> </p>
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*Q = common*  
*A = Alberta*  
*F = Federal*  
*S = Saskatchewan*

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## **OTHER LEGISLATION**

Under the provision of the Investment Companies Act, the Corporation is empowered to make short term loans, as a lender of last resort, to Canadian controlled Sales Finance Companies. Also, under the provisions of the Cooperative Credit Association Act, the Corporation is empowered to make short term loans, for liquidity purposes, to cooperative credit societies and to provincially created corporations that provide, or administer, stabilization or liquidity funds for the benefit of Credit Unions and their members. The aforementioned functions are entirely separate from those performed by the Corporation under its Act of incorporation. The Corporation is not insuring the debt instruments of the sales finance companies or the deposits and debt instruments of the cooperative credit societies. The loans may be made only for the purpose of meeting short term requirements for liquid funds and the source of funds for the Corporation to make these loans would be borrowing from the Consolidated Revenue Fund.

The Corporation has entered into agreements, to make short term loans for liquidity purposes, with the Credit Union Stabilization Corporation (Alberta), B.C. Credit Union Reserve Board and The Saskatchewan Credit Union Mutual Aid Board.

No funds have been advanced under either Act.