

CAISSE DESJARDINS
DES TRANSPORTS

History in Motion



PIERRE - OLIVIER MAHEUX



Caisse Desjardins des Transports: History in Motion

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Mobility at the heart of urban living

For both people and goods, mobility has been at the heart of urban living around the world and throughout the ages.

INTRODUCTION



In fact, many cities have often sprung up and expanded because of their location at major junctions. Montreal was no exception. It's hardly surprising then that the histories of Caisse Desjardins des Transports and the city of Montreal are closely linked. The caisse's roots run deep with the city's flagship companies and institutions. Retracing its origins takes us across the Island of Montreal from east to west and north to south, from the late 19th century to today, on a journey marked by eminent historical figures as well as thousands of labourers and workers.

Caisse Desjardins des Transports is a province-wide cooperative financial institution that specializes in serving individuals and businesses involved in the transportation of people and goods. It started out as 22 credit unions that were founded between 1944 and 1967 and merged over the years. They were created in workplaces from diverse sectors: ship and railway building, train stations and hump yards, public transportation, natural gas, breweries and the food industry. Some were small and short-lived, while others grew large and lasted many years. The number of archival documents available for each credit union varies—there are many for some, and very little for others. Our goal is to present the most complete picture possible of the credit unions that would one day form Caisse Desjardins des Transports.

Chapter 1 offers a panorama of Montreal's economy in the first half of the 20th century. It outlines the origins of the many businesses and institutions where the 22 credit unions were founded. Chapters 2 and 3 detail the credit unions' birth and early years. We'll trace their development in chapters 4 and 5, which cover two major periods: 1968–1991 and 1992–2017. Finally, the creation of Caisse Desjardins des Transports and its first years of existence are presented succinctly in Chapter 6.



Montreal and the destiny of a metropolis

The period between the late 19th century and World War I (1914–1918) was a golden age for Montreal. The city was Canada’s metropolis, its industrial, financial and railway centre. It was thriving on all fronts. Large businesses such as the Canadian Pacific Railway, Molson and the Montreal Light, Heat and Power Company were emblematic of this period of prosperity. The credit unions that would form the current Caisse Desjardins des Transports were founded in many of these businesses after World War II (1939–1945). To better understand the context that led to their creation, we must first look at Montreal’s economy in the first half of the 20th century.

CHAPTER 1



THE WELLSPRING OF MONTREAL'S GOLDEN AGE

In the early decades of the 19th century, Montreal emerged as the main urban and economic centre, supplanting Quebec City. Montreal's business community was particularly vibrant, creating the country's first bank, among other things. Dredging the St. Lawrence allowed the Port of Montreal to surpass the Port of Quebec City, while the Lachine Rapids prevented ships from going farther west. What's more, the city had easy access to the United States and a certain proximity to New York. It was a strategic location for transporting people and goods, making it the gateway to Canada.

Montreal's first industrial revolution, which started at the end of the 18th century, was driven by key industries such as shoemaking and food. They included flour mills, such as A.W. Ogilvie and Company—which would give Montreal its iconic Farine Five Roses sign—and sugar refineries, such as John Redpath and Son. Brewing played a major role too, with the Molson family and William Dow at the forefront.¹ The rival brewing companies were founded only a few years apart: Molson in 1786 and Dow in 1790. New sectors such as iron and steel proliferated in the late 1800s, during a second industrial revolution marked by the rise of the railway industry.²



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THE CANADIAN PACIFIC
RAILWAY'S "CROWN JEWEL":
WINDSOR STATION.

(MCCORD STEWART,
WM. NOTMAN & SON)

1 The company was originally known as Dunn.
2 Linteau, Paul-André. *Histoire de Montréal depuis la Confédération*. Boréal, 1992, pp. 26–28.



A RAILWAY CITY

“Few things were as inextricably linked as industrialization, metropolitan growth and the railways,” writes historian David B. Hanna about Montreal’s history.³ With the train stations, bridges, tunnel through the mountain and tracks themselves, the railway played a significant part in forging the city’s identity. The story of Montreal’s railways begins with the Grand Trunk Railway of Canada, established by British interests to connect the city with Toronto. The company’s arrival in 1852 set the wheels in motion for the building of the Victoria Bridge, the very first structure to span the St. Lawrence River. The Grand Trunk Railway had a near-monopoly until the Canadian Pacific Railway (CPR) came along. The idea for the competing railway came in the 1870s from Canadian prime minister Sir John A. Macdonald, who wanted to connect the country from coast to coast by train. The project ground to a halt in 1873, when the Pacific Scandal toppled the government. A new consortium would restart the CPR a few years later.

3 Translation of Hanna, David B. “L’importance des infrastructures de transport.” *Montréal Métropole 1880-1930*, CCA/Boréal, 1998, pp. 51.; Duchesne, Julie. “Le Canadien Pacifique et la transformation de l’espace montréalais: le cas de la gare-hôtel Viger, 1891-1901.” Bellavance, Claude and Lanthier, Pierre (eds.), *Les Territoires de l’entreprise*, Presses de l’Université Laval, 2004, pp. 55-57.



3220—PLACE VIGER C.P.R. HOTEL AND STATION, MONTREAL.

NOTMAN, MONTREAL

a

a

The company quickly turned its attention to Montreal, where it built the Dalhousie Station in 1883 in the city's east end, followed by the Viger station and hotel nearly 15 years later. To the west, the CPR contracted US architect Bruce Price for its “crown jewel,”⁴ Windsor Station, a Romanesque Revival-style structure that would double as its head office. Meanwhile, the Grand Trunk Railway was hardly idle. Two blocks lower on St. Jacques, it replaced its Bonaventure Station with a new building in the Second Empire style. As for its majestic head office on McGill Street, it was described as a “palace” by the local press when it opened its doors in the early 1900s.

ABOUT 15 YEARS AFTER DALHOUSIE STATION WAS BUILT IN 1883, THE CANADIAN PACIFIC RAILWAY ADDED THE VIGER STATION AND HOTEL.

(MCCORD STEWART MUSEUM)

4 Translation of Hanna, “L’importance des infrastructures de transport,” p. 52.

b

BONAVENTURE STATION
OF THE GRAND TRUNK
RAILWAY OF CANADA.
TO THE RIGHT IS
WINDSOR STATION.

(MCCORD STEWART MUSEUM,
WM. NOTMAN & SON)



b

c

THE HEAD OFFICE OF
THE GRAND TRUNK
RAILWAY OF CANADA
ON MCGILL STREET.

(MCCORD STEWART MUSEUM,
WM. NOTMAN & SON)



c

As elegant as these buildings were, however, they could not rival the size of the CPR's Angus Shops. With the city as the nexus of its railroad network, the CPR also erected factories for building and, especially, maintaining its wagons and locomotives. At the turn of the 20th century, the company acquired a vast expanse for the project: 4,200 feet from east to west and 2,000 feet from north to south, for a total of 8.4 million square feet (780,360 square metres).⁵ Nowadays, the tract is bordered by Rachel Street to the south, St. Joseph Boulevard to the north, Bourbonnière Avenue to the east, and the tracks that skirt D'Iberville, Frontenac and Hogan streets to the west. The Angus Shops made an indelible impact on Montreal's urban development in the 1900s. At the time, the location was out of the way and largely vacant. The new shops prompted the building of the Rosemont borough to lodge the workers close by, a property deal that would most notably benefit businessmen Ucal-Henri Dandurand and Herbert S. Holt.

The shops were named after one of the CPR's directors, Richard Bladworth Angus. Born in Scotland, he emigrated to Canada in 1857 and served as president of the Bank of Montreal. This singular project was conceived and designed to make the most of every resource to be self-sufficient. There was very little that couldn't be produced onsite: "From bolts to giant boilers, and even flowers and wooden benches, it was all done there."⁶ Even electricity was generated on location, thanks to the enormous boilers. Given its size and number of employees, the complex was a world unto itself, populated by French and English Canadians as well as Italian and Ukrainian immigrants. When they opened in 1904, the Angus Shops employed 3,000 people, but that number quickly swelled. During World War II, there were 10,000 workers onsite, often fathers and sons.



AN AERIAL VIEW OF THE
ANGUS SHOPS CIRCA 1925.

(BANQ, FAIRCHILD AERIAL
SURVEYS CO. OF CANADA LTD.)

5 Nadeau, Gaétan. Angus. *Du grand capital à l'économie sociale*, 1904–1992. Tome 1, Fides, 2020, p. 40.

6 Translation of Nadeau. Angus, p. 76.



a

In 1911, a third player surprised the Grand Trunk Railway and CPR by joining the fray: the Canadian Northern Railway. Since the first two had already laid claim to the downtown area from east to west, the newcomer came in with a bold idea: a tunnel through Mount Royal. In a vast real-estate transaction, the company purchased a number of lots north of the mountain to build the model city that would become the Town of Mount Royal. The Mount Royal Tunnel was completed in 1916. It opened out onto a cutting on the corner of Mansfield and Cathcart. The massive project comprising four buildings was planned for downtown Montreal, but the Canadian Northern Railway ran into serious financial troubles. Work stopped. The Grand Trunk Railway was having its own “run of bad luck,”⁷ such as the death of its president Charles M. Hays, who perished on the Titanic in 1912, and a fire that destroyed part of the Bonaventure Station four years later. In the late 1910s, the federal government nationalized the Canadian Northern Railway. It became the Canadian National Railway Company (CNR) and absorbed the Grand Trunk Railway after its bankruptcy in 1923.

7 Translation of Hanna, “L’importance des infrastructures de transport,” p. 54.



a

As proof of Montreal's close-knit industrial community at the time, the Canadian General Electric Company helped supply the huge railway projects. The company installed "the generators, switchboards and power house motors" at the Angus Shops.⁸ In 1913, it was awarded the major Canadian Northern Railway contract to provide electrical equipment for the Mount Royal Tunnel, including wiring and seven electric locomotives.⁹ At the same time, Canadian General Electric erected a vast structure on St. Antoine Street for its offices, warehouses and lamp manufacturing. Though based out of Toronto, the company counted some well-known Montrealers on its board of directors: Herbert S. Holt, Rodolphe Forget and James Ross.¹⁰

8 Translation of Nadeau. *Angus*, p. 78.

9 "Le tunnel du Mont-Royal," *Le Devoir*. October 3, 1913, p. 6.

10 "Faits. Montréal. Nouvel édifice," *Le Devoir*. January 23, 1912, p. 6.; See also *Annual Report. Canadian General Electric Co. Limited*. 1911 and 1912.

PUBLIC UTILITIES: THE ERA OF MONOPOLIES

The building of the CPR's railroads paid off handsomely for certain investors. When it was over, some of them turned to public utilities—the tramway and electricity, for example—that were run by private companies with monopolies.¹¹ When it started in Montreal in the early 1860s, the horse-pulled tramway was the first modern form of public transportation. It was a big hit. Some 30 years later, the rail service was at a crossroads with the coming of a new power source: electricity. While the tramway company's president, Jesse Joseph, spurned the innovation, others, such as Louis-Joseph Forget, seized on its potential. Forget, the first francophone securities broker at the Montréal Exchange, had many shares in the company. He impressed upon the board of directors the need to convert the tramways to electric power, resulting in Jesse Joseph's resignation as president in 1892. That year, the company inked a new 30-year contract with the city of Montreal and undertook the electrification of the tramway network.



b

a

SOUTHBOUND VIEW
OF THE MOUNT ROYAL TUNNEL,
WHICH OPENED INTO A CUTTING,
CIRCA 1930.

(MCCORD STEWART MUSEUM,
CANADIAN NATIONAL RAILWAY COMPANY)

b

A TRAMWAY
ON THE SNOWY STREETS
OF MONTREAL, CIRCA 1900.

(MCCORD STEWART MUSEUM,
WALLIS & SHEPHERD)

11 Harvey, Christian. *Rodolphe Forget, un financier québécois (1861–1919)*. Éditions Charlevoix, 2021, p. 96.



In the ensuing years, Louis-Joseph Forget and his nephew Rodolphe Forget took an interest in the Royal Electric Company and acquired a significant number of shares. Rodolphe Forget was named president of the company in 1899. From the outset, he was intrigued by the idea of merging the various Montreal power companies. He approached Herbert S. Holt of the Montreal Gas Company. The talks led to the creation of the Montreal Light, Heat and Power Company in spring 1901, where Holt would preside for the next 30 years. As its name suggests, the company controlled the supply of electricity as well as gas for heating. Like the railway companies, it made its imprint on the urban landscape with its new infrastructures. Among them was its Les Cèdres generating station, built to harness the St. Lawrence's currents. In the early 1930s, it also put up an immense gasholder—the second largest in North America—between Du Havre and Bercy streets, north of St. Catherine. Topped by a red and white checkered cap, the 100-metre metal reservoir stood as a conspicuous symbol of the company and a Montreal landmark until it was taken down in 1970.¹²

12 Bouchard-Dupont, Maude. "Un géant disparu: le gazomètre de la rue du Havre," *Mémoires des Montréalais*, October 6, 2021, <https://ville.montreal.qc.ca/memoiresdesmontrealais/un-geant-disparu-le-gazometre-de-la-rue-du-havre>.

a

WORKERS OF THE MONTREAL
LIGHT, HEAT AND POWER
COMPANY, CIRCA 1930.

(MCCORD STEWART MUSEUM)

b

THE GASHOLDER AND
FRONTENAC GARAGE OF THE
MONTREAL TRANSPORTATION
COMMISSION, CIRCA 1960.

(STM ARCHIVES)

b



Over time, “the Montreal Light, Heat and Power Company would come to epitomize the monopolies and the ‘electricity trust’”—and particularly, its abuses.¹³ The resentment it inspired was largely aimed at the company’s head, Herbert S. Holt, said to be the richest man in Canada at the time of his death in 1941. His indecent wealth and contempt for the less fortunate during the Great Depression made him a controversial figure.¹⁴ Although Montreal’s public utilities were well run, under the control of monopolies, their rates were higher than elsewhere.¹⁵ The fight against the “trusts” began at the onset of the 20th century. Placing the tramway under municipal ownership was already being considered. By the end of the 1940s, the city was at odds with the Montreal Tramway Company, particularly about its rates. A 1949 report recommended municipalization since the company “didn’t achieve the purposes it was created for,” and because major changes loomed for the service offering that “couldn’t be undertaken by the private initiative.”¹⁶ The following year, the Montreal Transportation Commission was formed, and the city acquired all the Montreal Tramway Company’s property.

Similar debates about electricity were heating up across the province. As of the 1930s, some of Quebec’s political figures, including Dr. Philippe Hamel, were calling for the nationalization of the “trusts.” This wouldn’t happen until 1944, when Hydro-Québec was formed during the first wave of nationalization, which seized the Montreal Light, Heat and Power Company. Hydro-Québec ceded the company’s gas network to the Québec Natural Gas Corporation. The latter became a private company in 1957, changing its name to Gaz Métropolitain 12 years later, and then to Énergir for its 60th anniversary in 2017.

13 Translation of Harvey. *Rodolphe Forget*, p. 114; Linteau. *Histoire de Montréal*, p. 277.

14 To date, there’s no entry dedicated to Holt in the *Dictionary of Canadian Biography*, despite his major role in Canada’s economy, as historian Christian Harvey notes in his work on Rodolphe Forget (p. 114).

15 Linteau. *Histoire de Montréal*, p. 138.

16 Translation of text cited by Pharand, Jacques. *À la belle époque des tramways: un voyage nostalgique dans le passé*. Éditions de l’Homme, 1997, p. 230.



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A QUÉBEC NATURAL GAS CORPORATION TRUCK IN 1965.

(BANQ, FONDS LA PRESSE)

THE TIDE TURNS: FROM THE GREAT DEPRESSION TO WORLD WAR II

The first half of the 20th century was also marked by the Great Depression of the 1930s, which caused job losses, unemployment and production cuts for many businesses. Montreal's heavy industry bounced back with the outbreak of World War II. The Angus Shops, for example, converted part of its operations to military production, including tanks. The Canadian Vickers shipyard, for its part, was much in demand. Founded in 1911 by UK business Vickers, Sons and Maxim, it initially built ships for the nascent Royal Canadian Navy. Its facilities were on Notre-Dame, near Viau. After a successful run during World War I producing boats and submarines, Canadian Vickers moved into aeronautics, giving rise to Canadair. The shipyard survived the economic crisis by focusing on repair contracts. World War II restarted production of boats such as frigates, largely used to escort submarines in transatlantic convoys.

The war didn't just re-energize Montreal's heavy industry—all sectors were in high demand. The pharmaceutical industry is a case in point. Ayerst, McKenna & Harrison, for instance, prospered by making penicillin for the Canadian Armed Forces.¹⁷ The manufacturing industry also “benefitted from the injection of new resources,”¹⁸ followed by strong consumer demand as peacetime resumed.



AN AYERST,
MCKENNA & HARRISON
PHARMACEUTICAL
COMPANY TRUCK IN
JANUARY 1940.

(BANQ, FONDS CONRAD POIRIER)

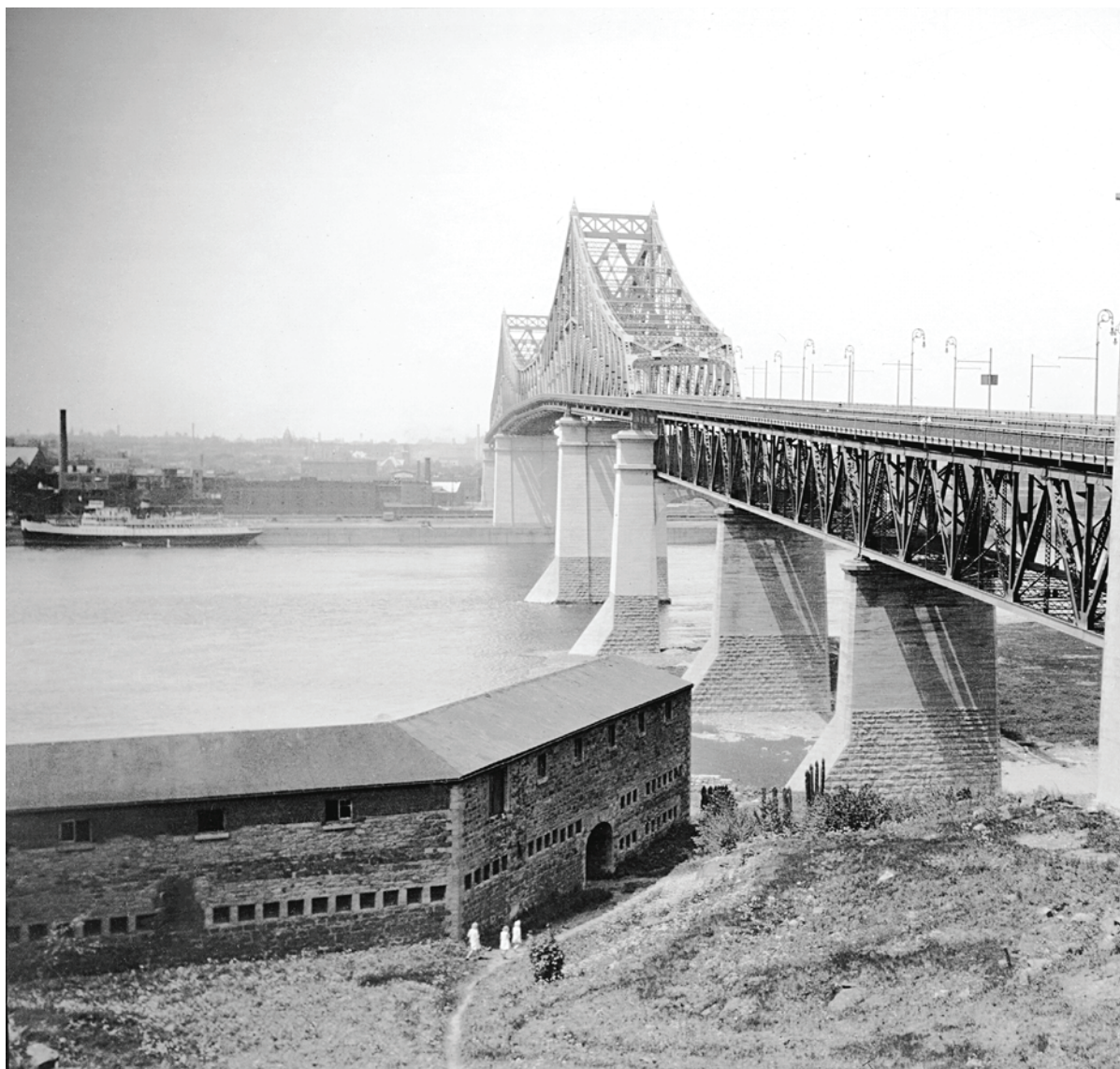
17 Collin, Johanne with Béliveau, Denis. *Nouvelle ordonnance. Quatre siècles d'histoire de la pharmacie au Québec*. PUM, 2020, p. 244.

18 Translation of Linteau. *Histoire de Montréal*, p. 443.



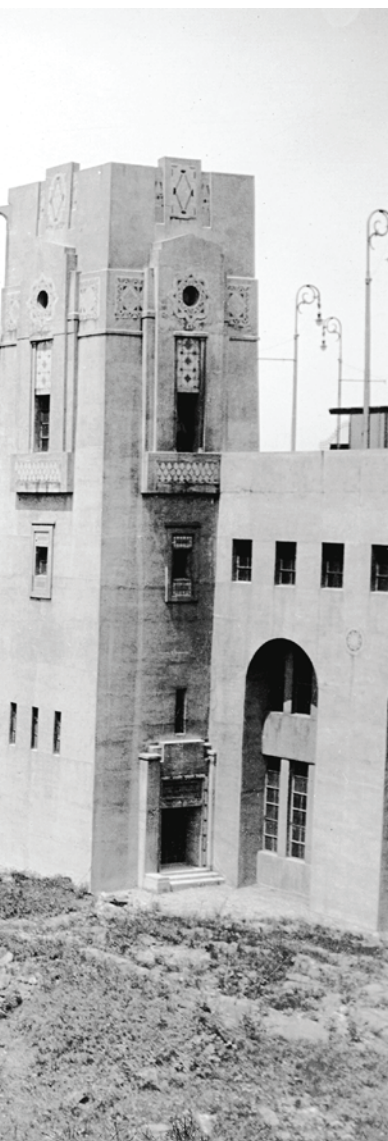
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Things were different after the war. A series of transformations enhanced Toronto's strategic appeal. Ontario's surging capital city would unseat Montreal as Canada's metropolis in the early 1970s. The country's international trade, traditionally conducted with the UK and Europe, now focused on the US. The industrial heart of the American giant was in the Great Lakes area. Buffalo, Cleveland, Detroit and Chicago were bustling, largely due to automakers, who expanded their operations to Ontario. The tertiary sector, or service sector, was flourishing in western economies, while manufacturing and industrial jobs, historically abundant in Montreal, were on a downward trend.



INAUGURATED IN 1930, THE
JACQUES CARTIER BRIDGE
WAS INTENDED SOLELY
FOR MOTOR VEHICLES.

(MCCORD STEWART MUSEUM,
HARRY SUTCLIFFE)



a

Starting in the 1950s, the St. Lawrence Seaway allowed vessels to sail all the way to the Great Lakes. The Port of Montreal was no longer the key entry point for the continent. Railways were quickly losing ground in favour of cars and trucks. Passenger travel by train slowed by 50% between 1948 and 1961, causing the CPR to drop this service a decade later.¹⁹ Montreal, the hub of the CPR and CNR networks, suffered as well. Another sign of the new era came in August 1959, when the two tramway lines closed for good, replaced by buses and, later, the metro.

These changes had been in the works for several decades already. The emergence of the auto industry had begun in the 1920s but was impeded by the economic crisis. In 1930, the inauguration of the Jacques Cartier Bridge—intended solely for motor vehicles—heralded what was to come. Truck deliveries increased, even if the train remained dominant for a few more decades. The Coca-Cola factory built during this period at 200 De Bellechasse Street reflected the shift; it was close to train tracks as well as thoroughfares, and it had a large garage for trucks.²⁰ However, things did not change overnight. While investments continued to pour into the region, they were often outside the city of Montreal. In 1953, for example, Kraft announced it would build a factory in the Town of Mount Royal. Having just launched its famous Cheez Whiz that year, the company was undergoing major growth.²¹ The following year, Ontarian brewer Labatt announced the construction of its new factory in LaSalle.²²

In diverse companies like the CPR, CNR, the Montreal Transportation Commission, Québec Natural Gas Corporation, Molson, Labatt, Coca-Cola, Vickers and more, workers would create credit unions over the next two decades. The savings and credit cooperative would find fertile ground among these labourers.

19 Nadeau. *Angus*, p. 184.

20 City of Montreal. *Énoncé de l'intérêt patrimonial. Ancienne usine Coca-Cola*, June 1, 2016.

21 “Nouvelle usine construite par la Kraft Foods Ltd, près de Montréal.” *Le Droit*, December 18, 1953, p. 27.

22 “Profits élevés de John Labatt Ltd.” *La Patrie*, December 13, 1954, p. 16.

Credit unions founded by and for workers

In 1944, when the story began for what would become Caisse Desjardins des Transports, Montrealers had reason to be optimistic about the future. They knew World War II was coming to an end, and the economy was on an upswing, helping them forget the Great Depression. Like the baby boomers, the 22 credit unions that would form Caisse Desjardins des Transports were born over the next two decades.

CHAPTER 2



THE ARRIVAL OF CREDIT UNIONS IN QUEBEC

At the end of World War II, caisses populaires were already well-established in Quebec, but credit unions remained scarce. The main difference between the two models were the common characteristics between members. Caisses populaires were organized by territory and, at the time, usually covered the territory of a Catholic parish. On the other hand, credit unions (“caisses d’économie” in French), served people with a different community of interest, mostly based on an occupational affiliation. Both types were founded by the same man, however: Alphonse Desjardins.

He was a pioneer of the savings and credit cooperative movement in Quebec when he created Caisse populaire de Lévis on December 6, 1900, but he also broke new ground in Ontario and the US, where he set up the very first credit unions. Before he helped found 18 caisses populaires in Ontario, he opened a credit union for federal government employees in 1908. In the US, the workplace model quickly became more popular than the parish model. In other words, the occupation-based credit union surpassed the territory-based caisse populaire. Credit unions flourished in the US before crossing over to Canada.

Founded in 1936 by employees of the Montreal YMCA, the Strathcona Credit Union was the first of its kind in Quebec. Over the next three years, credit unions would crop up in major organizations such as Bell Canada (Telephone Workers Credit Union of Montreal and Vicinity) and Sun Life (Delphic Credit Union). The few existing credit unions would then join forces for the first time in 1942: the Montreal Credit Union Federation Limited, which would change its name to the Quebec Credit Union League shortly after. The credit unions then multiplied across the province in two successive waves. The first, from 1944 to 1956, can be attributed to the Quebec Credit Union League. The second, from 1963 to 1972, was mainly due to the Fédération des caisses d’économie du Québec, a francophone organization created in 1962 after a splintering of the Quebec Credit Union League (as we’ll see later).

The 22 credit unions that formed Caisse Desjardins des Transports were part of these two waves. Most of the credit unions (15 out of 22, or 68%) were founded less than 10 years apart from each other, between 1944 and 1953. They’re among the oldest credit unions in Quebec. The others (7 out of 22, the remaining 32%) were founded between 1958 and 1967, mainly during the first half of the 1960s. Geographically, they were all on the Island of Montreal, covering a wide area from present-day Côte-Saint-Luc to Hochelaga-Maisonneuve as well as LaSalle to Saint-Laurent, including downtown Montreal.



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ALPHONSE
AND DORIMÈNE
DESJARDINS
WITH THEIR
SON CHARLES.

(DESJARDINS
GROUP ARCHIVES)

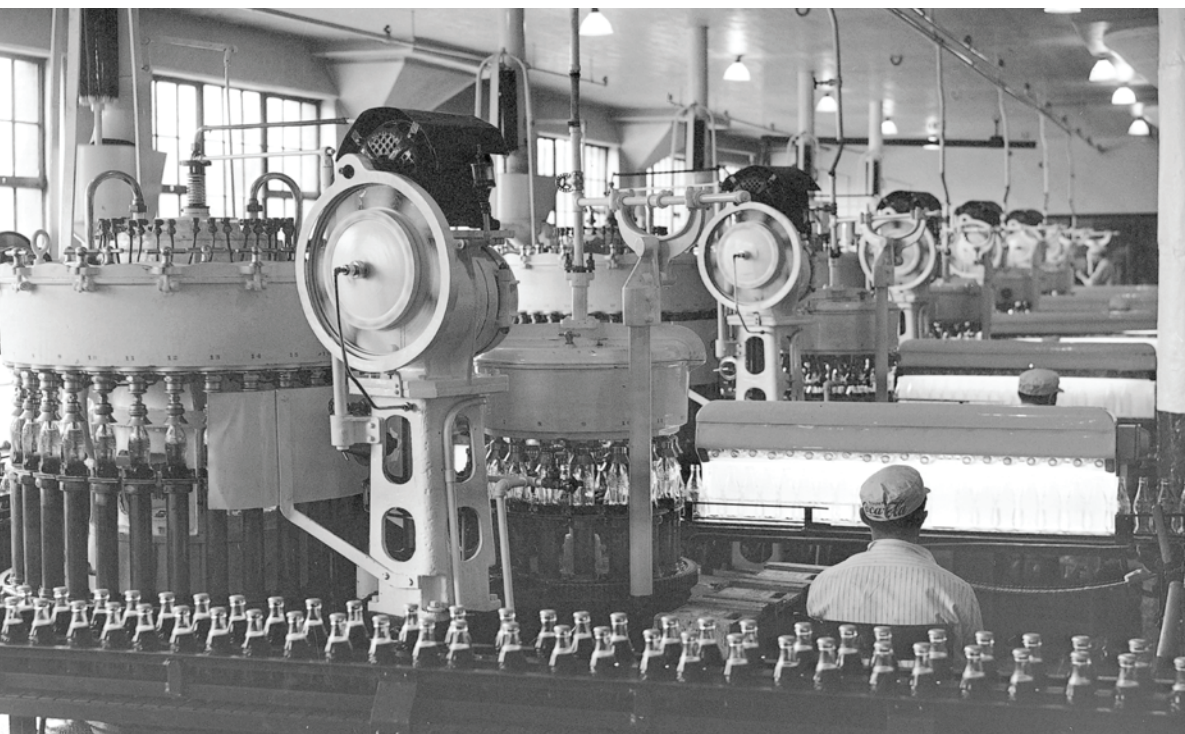
a

CREDIT UNIONS IN THE INDUSTRIAL AND TRANSPORTATION SECTORS

The 22 credit unions can be divided into two major categories, based on the sector of the company where they were founded: industrial and transportation. We'll delve into their creation chronologically, using these two categories.

The first was the Frigate Credit Union, which was from the industrial sector but had ties to transportation, since it originated at the Canadian Vickers shipyard. It was created in 1944 while World War II was still raging, as echoed by its choice of name. Three industrial sector credit unions were founded in 1949. In January, workers at the Kraft factory, then at 40 Bates Road in Outremont, started the Cartier Credit Union. The following month saw the arrival of the Pharma Credit Union for Ayerst, McKenna & Harrison in Saint-Laurent. The Angus Shops Credit Union came in March 1949 at the Canadian Pacific Railroad (CPR) shops. Like the Frigate Credit Union, it had a foot in both the industrial and transportation sectors.



**b****a**

THE MOLSON FACTORY IN
1936, WITH THE JACQUES
CARTIER BRIDGE BEHIND.

(CITY OF MONTREAL ARCHIVES)

b

INSIDE THE COCA-COLA
FACTORY AT 200 DE
BELLECHASSE STREET.

(BANQ, FONDS CONRAD POIRIER)

Also in the industrial category, three credit unions were founded at brewing companies: Molson's Employees Credit Union in October 1953, Labatt's Employees Quebec Credit Union in June 1958 and Dow Brewery (Quebec) Employees Credit Union in February 1965. The first was based out of the factory on Notre Dame Street at the foot of the Jacques Cartier Bridge. The second came four years after Ontarian brewer Labatt opened its facilities in LaSalle. The third was located at the Dow Brewery head office on the corner of Notre Dame West and Peel streets. Also included in this subcategory is Caisse d'économie C.A.C. for employees of the Unemployment Insurance Commission, even though its members worked for the federal government rather than industrial companies. Founded in June 1963, it was housed in the Unemployment Insurance Commission offices at 1441 St. Urbain Street. It merged with the Dow Brewery (Quebec) Employees Credit Union in 1978 after a brief 15 years of existence.

The last credit unions created in this category represent a broader range of activities: Génie Credit Union for Québec Natural Gas Corporation employees was created in November 1961, the Coca-Cola Employees Credit Union in May 1964¹ and the Caisse d'économie des employés de la Compagnie Générale Électrique "Usine de Montréal" in March 1967.² The first was at the company's head office at 1717 Du Havre Street. The second was founded at the factory at 200 De Bellechasse Street in Little Italy. The third was in Montreal's east end at the factory on Notre Dame Street East, on the corner of Dickson Street.

On the transportation side, most credit unions had ties to the railway industry. Many originated in the hump yards or passenger train stations of the Canadian Pacific Railway (CPR) and Canadian National Railway Company (CNR). The oldest in the transportation category is the Windsor Credit Union, created on October 20, 1945. It was in the station of the same name, built by the CPR at the end of the 19th century for its head office. In March 1950, the Beaver Credit Union opened for Dalhousie Station employees. The Glen Credit Union followed in April 1952 at the hump yard where the McGill University Health Centre now stands. The Glen Yard was one of the rare installations of its kind in Canada, intended solely for passenger trains.³ In October of the next year, a credit union opened at the CPR's St. Luc yard.

At the CNR, the Canat Credit Union came first in September 1947, for telegraphers. Next was the Revac Credit Union on October 1, 1950, for employees in finance and accounting.⁴ Three years later, the McGill Credit Union was founded in the magnificent Grand Trunk Railway building at 360 McGill Street. Unlike the first two, which were for specific railway occupations, the McGill Credit Union seemed to include every job category at the head office. Another pair of credit unions was also founded in hump yards. First there was the Point Credit Union in February 1952, in Pointe-Saint-Charles. The second was the Hump Yard Employees Credit Union in October 1953, at the Taschereau yard in Côte-Saint-Luc.

Two more credit unions would be created in the transportation category: Caisse de crédit des employés de tramways, founded in September 1950, and Caisse d'économie des employés du camionnage du Québec, created in January 1963. The first was for all of the city's public transportation employees, coinciding with the creation of the Montreal Transportation Commission that same year. The second lasted just under 10 years before merging with the Angus Shops Credit Union.















1 It appears this credit union only began its operations in 1972.

2 A credit union was founded two years earlier at the Canadian General Electric lamp factory at 280 Faillon Street West (now Gary Carter Street). It's now part of Caisse Desjardins des Travailleuses et Travailleurs unis.

3 "Canadian Pacific Railway Glen Yard Montreal," Old Time Trains, www.trainweb.org/oldtimetrains/photos/cpr_facilities/Glen.htm.

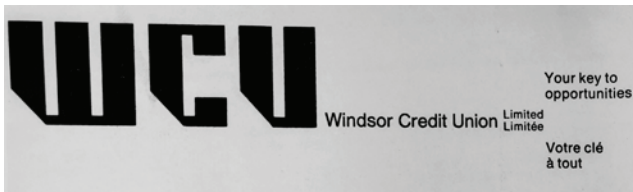
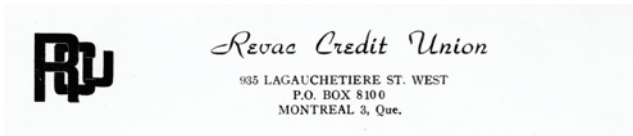
4 See the list of credit unions in the Quebec Credit Union League annual report for 1961–1962.

List of credit unions that merged to form Caisse Desjardins des Transports

	Name	Date founded
	1 Frigate Credit Union	January 24, 1944
	2 Windsor Credit Union	December 22, 1945
	3 Canat Credit Union	October 11, 1947
	4 Pharma Credit Union	February 26, 1949
	5 Cartier Credit Union	March 5, 1949
	6 Angus Shops Credit Union	March 19, 1949
	7 Beaver Credit Union	March 18, 1950
	8 Revac Credit Union	August 12, 1950
	9 Caisse de crédit des employés de tramways	October 14, 1950
	10 Point Credit Unionw	April 14, 1951
	11 Glen Credit Union	May 3, 1952
	12 McGill Credit Union	April 18, 1953
	13 St. Luc Yard Credit Union	October 17, 1953
	14 Hump Yard Employees Credit Union	November 7, 1953
	15 Molson's Employees Credit Union	November 7, 1953
	16 Labatt's Employees Quebec Credit Union	July 26, 1958
	17 Génie Credit Union	December 16, 1961
	18 Caisse d'économie des employés du camionnage du Québec	January 26, 1963
	19 Caisse d'économie C.A.C.	July 20, 1963
	20 Coca-Cola Employees Credit Union	May 2, 1964
	21 Dow Brewery (Quebec) Employees Credit Union (Montreal)	January 16, 1965
	22 Caisse d'économie des employés de la Compagnie Générale Électrique « Usine de Montréal »	February 18, 1967

 Transportation  Industrial

The names are as they appeared in the notice of foundation in the *Quebec Official Gazette*. The foundation date is the one published in the *Gazette*, which was considered the start date by law starting in 1945, except for the Frigate Credit Union, where the date on the declaration of foundation is the one that appears here.



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SAMPLES OF CREDIT UNION LETTERHEADS (CAISSE DESJARDINS DES TRANSPORTS ARCHIVES)

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These are the 22 credit unions that merged legally over time to form Caisse Desjardins des Transports. Four others are part of its history, but via more unofficial routes. The Telemp Credit Union was created for CPR telegraphers around 1944. It was located in the telegraphers' building on the corner of St. François Xavier and De L'Hôpital streets. While it was still active in the late 1960s, it closed in the early 1970s—how and why remains unclear. Certain Caisse Desjardins des Transports archives seem to suggest the Telemp Credit Union joined another credit union without legally merging. The Port of Montreal longshore workers also founded a credit union during a strike in 1972.⁵ However, the departure of many longshore workers the following year considerably weakened the new cooperative that was housed in the Maison des débardeurs. Its members decided to join the nearby Angus Shops Credit Union, without there being a legal merger. Something similar happened with the Johnson & Johnson Ltd Employees Credit Union (founded in July 1962) and the Caisse d'économie des employés du papier façonné (founded in October 1970), which mainly served employees of the Canadian International Paper Company.



5 Thomin, Jean-Paul. *C'est arrivé au bord-de-l'eau. Récits et anecdotes des débardeurs du port de Montréal*. Atelier d'histoire des Débardeurs du port de Montréal, 2018, pp. 134–135.

List of credit unions whose members enlisted at another credit union (without merging)

	Name	Date founded	Enlisting date	Dissolution date
1	Telemp Credit Union*	Around 1944	Unknown	Unknown
2	Johnson & Johnson Ltd Employees Credit Union	July 14, 1962	1975	February 8, 1992
3	Caisse d'économie des employés du papier façonné	October 24, 1970	1975	February 8, 1992
4	Caisse d'économie des Débardeurs de Montréal	September 9, 1972	1973	February 8, 1992

* It seems that Telemp Credit Union members enlisted in the Canat Credit Union, but this could not be confirmed.

The "date founded" and "dissolution date" shown in the table are from the *Quebec Official Gazette*.

HOW IS A CREDIT UNION FOUNDED?

A credit union's declaration of foundation (sometimes known as a "Memorandum of Association") is a statement signed by all founding members. It includes their occupation, address and number of \$5 membership shares they purchased. The declaration of foundation was found for just under half of the 22 credit unions that formed Caisse Desjardins des Transports. The credit unions were generally formed by a small group of employees: The acts consulted had about 20 signatories on average. Their names suggest an equal number of anglophones and francophones, with the ratios in each group varying according to the workplace. For example, the CNR's Point Credit Union had a predominantly anglophone membership, whereas the Labatt's Employees Quebec Credit Union had more francophones.

The occupation listed on the declaration of foundation sheds some light on the founders' profiles. Kraft's Cartier Credit Union included a number of office workers, such as the personnel manager and payroll accountant. Generally, we mostly find labourers on the declaration of foundation. The Angus Shops, for instance, had many tinsmiths, blacksmiths, machinists, pipefitters, and so on. In many places, the credit union was started by workers involved in the labour union. That was the case at the Angus Shops, where the labour unions created the credit union to counter loan sharks. Promoters of a potential credit union made sure to get the employer's approval before moving forward with their plans.

MEMORANDUM OF ASSOCIATION
Quebec Cooperative Syndicates Act

The undersigned declare that they become members of a cooperative association with limited liability, under the name of The CARTIER Credit Union Syndicate, with its head office at 40 Hayes Road, Outremont, P.Q. in the county of Montreal District that they subscribe the number of shares put up, posithe their respective names, and that they name Mr. Leopold Marcotte to convene the organization meeting.

Such notice of meeting shall be given by Letter
Dated at Outremont, P.Q.
this 19th day of January 1949

G.O.#9 - 5 Mars 1949


WITNESSES	SURNAME AND CHRISTIAN NAMES	CALLING	RESIDENCE	NUMBER OF SHARES OF \$5.00
	Marcotte Leopold	clerk	6131 Boulevard	1
	Armand Gordon R.	payroll accountant	324 34 4 av. de la	1
	Glenn Thomas	foreman	421 Montcalm	1
	Walter Frank Harold	inspector	49 Joyce Ave. E. Outremont	1
	Berthe Belle	Tring St. Clara	681 Caspary Ave. Mt	1
	André Henry R.	supervisor	111 Charles St. 1983	1
	Raymond Jean J.	supervisor	842 St. Dominique	1
	Muller John R.	Reverend	2127 Dufferin	1
	Arnold Douglas J.	operator	162 Deschamps	1
	Joseph Robert L.	supervisor	2415 Clark	1
	Open William R.	clerk	2229 St. Jean	1
	Robert Humbert J.	clerk	625 Appleton	1
	Royer Marie	salesman	1788 Beaubien	1
	Bill James C.	clerk	2 Springfield Ave.	1

Witness Leopold Marcotte
Witness James C. Bill

14 M
14 P
16 S

THE DECLARATION OF FOUNDATION OF CARTIER CREDIT UNION.
(DESJARDINS GROUP ARCHIVES)





ROBERT SOUPRAS,
GENERAL MANAGER OF
THE FÉDÉRATION DES
CAISSES D'ÉCONOMIE,
AT THE FÉDÉRATION'S
ANNUAL GENERAL MEETING.
FOR MANY YEARS, THE
MEETING WAS HELD AT
SAMBO'S RESTAURANT
NEAR THE FÉDÉRATION'S
HEAD OFFICE.
(DESJARDINS GROUP ARCHIVES)

Some of the early credit unions began with the help of others that had come before. For example, the first meeting of the Angus Shops Credit Union Board of Directors was held at the offices of the Montreal Firemen's Credit Union at Station 26, at 2151 Mt. Royal Avenue, with the latter's manager Captain Albert Rémillard on hand. The next meeting was attended by the head of the Windsor Credit Union, E. Perron.⁶ The Windsor Credit Union had itself received advice from the Delphic Credit Union shortly after it was founded.⁷ Later, foundation meetings would often take place in the presence of a representative of the Quebec Credit Union League or the Fédération des caisses d'économie, who knew the procedures and chaired the events. The Fédération's general manager Robert Soupras was there for the creation of the Dow Brewery (Quebec) Employees Credit Union and the Coca-Cola Employees Credit Union.

Credit unions were often founded at the workplace itself, at the end of the day. This happened with Molson and Dow, for example. Molson's foundation meeting started at 6:15 p.m. and lasted an hour and 15 minutes. During the meeting, resolutions were adopted allowing the credit union to start operating, such as the League or Fédération affiliation, insurance enrollment and signing authorizations. The credit union's officers were voted in as well. The credit union now existed on paper, but the hardest part remained: organizing its activities and getting potential members to trust it with savings and loans.

6 Angus Shops Credit Union, minutes of the board of directors' meeting, January 18, 1949, and February 2, 1949. Perron's full name is unknown.

7 Windsor Credit Union, minutes of the board of directors' meeting, March 8, 1946.



This responsibility fell upon the credit union's general manager and the elected officers. These officers were divided into three bodies: the board of directors, the credit committee and the board of supervision. The board of directors had about 10 members, whereas the credit committee and board of supervision normally had three. As is the case nowadays, the board of directors oversaw the cooperative's operations. Back then, however, the directors were much more involved in day-to-day operations, approving new credit union members and taking care of recruiting. They reviewed the credit union's financial statements and bylaws and studied various ways to ensure its progression. The credit committee was tasked with reviewing and approving or rejecting most loan applications made by credit union members. As for the board of supervision, it handled verification and control. It monitored the other two bodies and, if anything was amiss, it could suspend activities and call a special general meeting.

It's difficult to obtain a detailed portrait of the first officers of the 22 former credit unions, since there's little information available on them. A list of the 12 members of the Angus Shops Credit Union's board of directors in 1953 shows where they each worked onsite. Four of the directors were from the "Loco Shop," while the others were from the "Tender & Truck Shop," "Cabinet Mill," "Grey Iron Foundry," "Sheet Metal Shop" and "Frog Shop." It's interesting to note that one of the directors was a woman: Rolande Senterre was elected in spring 1952 and served as secretary of the board. Her term was cut short when she had to go on disability leave in late 1953 and resigned in May 1954. There was also a woman on the Pharma Credit Union board at the time.⁸

During this period, bookended by the major historical events of World War II and Expo 67, the 22 savings and credit cooperatives were created by workers from various areas related, in most cases, to the industrial and transportation sectors. These 22 credit unions would go on to form the current Caisse Desjardins des Transports. While the credit unions were all founded in much the same way, they would evolve quite differently



MOSAIC OF THE MEMBERS OF THE
ANGUS SHOPS CREDIT UNION'S BOARD
OF DIRECTORS, CREDIT COMMITTEE
AND BOARD OF SUPERVISION IN 1959.

(CAISSE DESJARDINS DES
TRANSPORTS ARCHIVES)

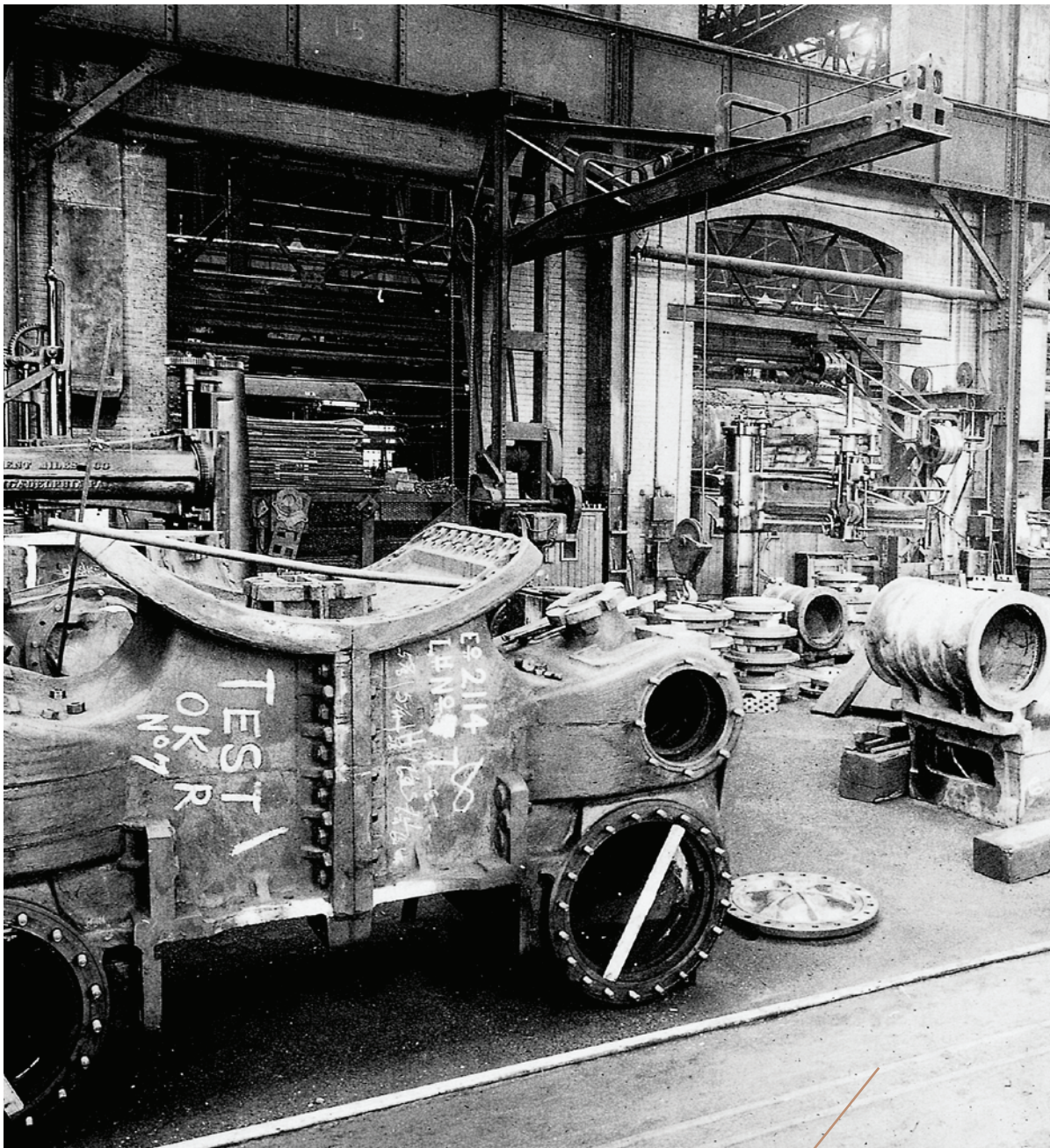
8 Desjardins Group Archives, League Minutes and Historical Documents 1942–1956, minutes of the Quebec Credit Union League's annual general meeting, February 14, 1953.

Modest means, but promising starts (1944-1967)

In the late 1960s, the 22 former credit unions that would form the current Caisse Desjardins des Transports varied greatly in size. Six of the credit unions only had between 400 and 600 members. Certain credit unions, like Caisse d'économie des employés de la Compagnie Générale Électrique, had not been around for very long, which explains their smaller size. Others, like the Canat and Pharma credit unions, were older but had not grown much. Three credit unions stood out in terms of membership and assets in the late 1960s: The CNR's Point Credit Union with 8,700 members and over \$6 million in assets, the CPR's Angus Shops Credit Union with 4,400 members and over \$4 million in assets, and Caisse de crédit des employés de tramways with 3,900 members and over \$2 million in assets. During this period, the 22 credit unions offered more or less the same services, namely, savings accounts and the possibility to take out loans. Some started to expand their services or tried various ways to meet their members' other needs.

CHAPTER 3





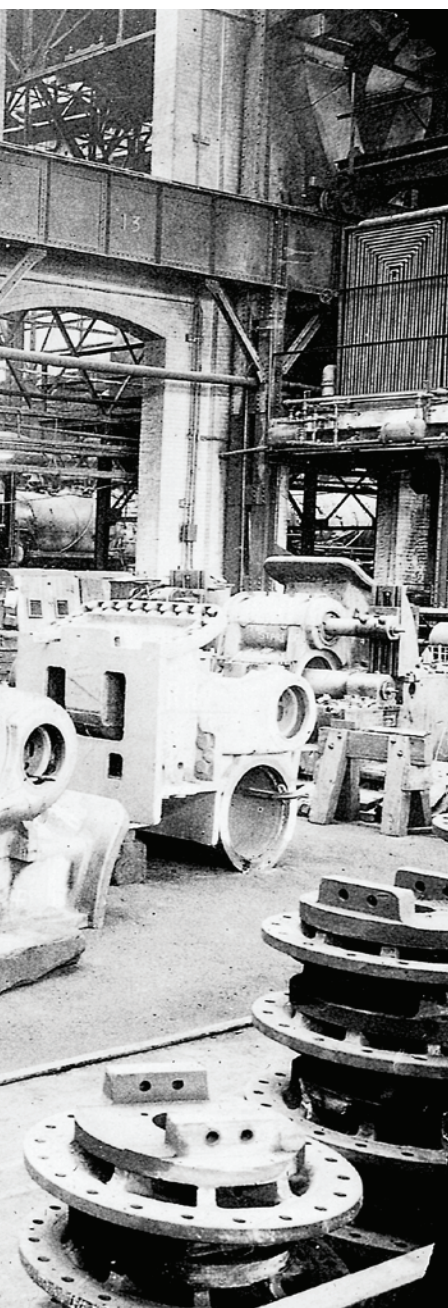
ALBERT HOGUES, THE FIRST MANAGER OF THE
ANGUS SHOPS CREDIT UNION, WAS A BLACKSMITH.

(MCCORD STEWART MUSEUM)

LAYING THE GROUNDWORK: A MANAGER AND AN OFFICE

At first, a credit union's operations were often carried out by one person: the manager. This person was named from among the elected officers on the board of directors. The manager was not a banking expert, but rather a coworker that members trusted. The manager of the Angus Shops Credit Union was Albert Hogues, a blacksmith of a certain age who had taken courses on cooperation at the University of Ottawa.¹ Often, the manager was an office worker, like at the Molson's Employees Credit Union. Its manager, Georges Lord, worked in the company shop, was secretary of the employee association, and had previously worked in a bank for a few years.²

Initially, managers performed their duties on a voluntary basis or for a pittance. They devoted a few hours a week to the credit union while also doing their regular job for the company where the credit union was located. This was reflected in the credit union's business hours. The Molson's Employees Credit Union, for instance, was open at lunchtime and for an hour at the end of the day.³ They needed to have schedules that suited the different work shifts. Thus, in 1970, Caisse de crédit des employés de tramways was open from 10 a.m. to 3 p.m. Monday to Friday and from 7 p.m. to 9 p.m. Monday to Thursday for members on late shifts.⁴ Employers were generally lenient when managers and other contributors spent some of their work time on credit union activities instead of their usual duties for the company.⁵



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- 1 Bourbonnais, Avila. Interview by Jean-Louis Martel. Centre de gestion des coopératives, HEC, May 1981, p. 21.
- 2 Lord, Georges. *Histoire de la Caisse d'économie Molson, 1953–1971*. 1972, p. 4.
- 3 Full schedule: From 12:30 p.m. to 2:00 p.m. and 5:00 p.m. to 6:00 p.m. Monday to Wednesday and from 8:30 a.m. to 6:00 p.m. Thursday and Friday. Molson's Employees Credit Union, Annual Report, 1953–1954.
- 4 Montreal Transport Commission Employees Credit Union, Annual Report, 1970.
- 5 Nadeau. *Angus*, p. 179.



In some instances, the credit union's growth required a full-time commitment on the manager's part and staff had to be hired. This happened at the Angus Shops Credit Union in spring 1952. For the next two years, Albert Hogues served as full-time manager until he retired. His successor was Avila Bourbonnais, who then held the position for 30 years. One of the first credit union employees was Charles-Édouard Lefebvre, an office worker at the Angus Shops who would also spend the final years of his career with the credit union.⁶ In 1964, there were seven employees, including two women, at the Angus Shops Credit Union.⁷ This information could not be found for the other credit unions. Over at the Point Credit Union, there was a full-time manager, Maurice J. King, and staff very early on as well. Records show that Caisse de crédit des employés de tramways, for its part, had five full-time and four part-time employees in the late 1960s.⁸

6 Nadeau. *Angus*, p. 181.

7 Angus Shops Credit Union, Annual Report, 1964.

8 Montreal Transport Commission Employees Credit Union, Annual Report, 1970.



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PROPERTY BUILT IN
1963 TO HOUSE THE
POINT CREDIT UNION'S
HEAD OFFICE.

(CAISSE DESJARDINS DES
TRANSPORTS ARCHIVES)

Credit unions could generally count on their employer to provide a space to work out of. Most credit unions had modest offices right in the workplace. At the Angus Shops, the CPR provided a space in the basement of the administrative building on Rachel Street, along with phone service, electricity and heating. Likewise, the Montreal Transportation Commission let the credit union operate out of its garage at 2321 Mt. Royal Avenue East, on the corner of Franchère Street, where it stayed until the mid-1980s. The first space was often on the small side, and credit unions sometimes had to ask the employer if they could relocate. This was the case for the Angus Shops Credit Union in 1958.⁹ The Windsor Credit Union had to move as well in 1952, seven years after it was founded, from the station to another CPR building nearby. It would return to the famous station building a decade later.¹⁰

The Point Credit Union acquired its own head office in 1963, a little more than ten years after it was founded. Built for \$73,000, the structure was designed to meet the credit union's needs. The building, which is no longer there, stood right next to the yard in Pointe-Saint-Charles, at 1830 Leber Street. This was an isolated case, however: Most of the 22 credit unions that would form Caisse Desjardins des Transports spent several decades in the same building where employees of the company or institution worked.

9 Angus Shops Credit Union, minutes of the board of directors' meeting, July 7, 1958.

10 Windsor Credit Union, minutes of the annual general meeting, June 29, 1953. *Windsor Credit Union News*, Vol. 6, No. 1, 1962.

FROM COLLECTION SYSTEM TO PAYROLL DEDUCTION

Being onsite, the credit unions benefitted from their proximity to the employer because, in addition to having a space on the premises, they were able to collect their members' savings. In the first 25 years, some credit unions developed a collection system, before switching to payroll deductions as we know them today.

Workers at the Angus Shops were handed their paycheques at lunchtime. They had to go to the nearby bank branch to cash it, but the large number of employees meant long lineups. Sometimes, their wives came by to get the paycheques as early as possible to cash it themselves. Some workers made a deal with their colleagues, asking them to stand in line for them, for a small commission.

This practice inspired the credit union to set up a paycheque cashing service: "In every department, the labour union recruited a representative who would deliver paycheques to the credit union and bring back cash to the depositors."¹¹ These "collectors" were volunteers who were compensated \$1 a year.¹² The service was free, but members who used it were required to deposit \$5 and the cent amount on their paycheque (for example, a deposit of \$5.89 for a paycheque of \$45.89). Hence, a forced, automatic and systematic method of saving was created. While members could later withdraw the money, "most accumulated their savings," according to manager Avila Bourbonnais, and they "never would have otherwise."¹³ The remaining amount of the paycheque was brought to workers in kraft paper or an envelope with the member's name on it. The Angus Shops Credit Union offered this collection service at the St. Luc yard, until a credit union was founded at this site in 1953.¹⁴

Other credit unions set up a similar system. The Molson's Employees Credit Union started it in 1956, leading to a growth in assets but also in "responsibilities and costs of administration."¹⁵ Unfortunately, the credit union would have a rogue collector to deal with. After drinking in a tavern with Americans, he fled to the US with his fellow members' earnings. He was arrested at the border a few weeks later upon re-entry, and the credit union was able to get all of the money back.¹⁶

Credit unions very soon asked their employers for payroll deductions, drawing money for savings directly from members' salaries, in collaboration with payroll services. At the Angus Shops Credit Union, the board of directors requested the service from CPR management in 1952 and were turned down. A few years later, a coordination committee from the CPR's credit unions in Ontario fought for the service to be implemented for employees in their railway network. The

11 Translation of Nadeau. *Angus*, p. 180–181.

12 See the list of collectors for 1955: Angus Shops Credit Union, minutes of the board of directors' meeting, 1955, p. 175.

13 Translation of interview with Avila Bourbonnais, p. 23.

14 Angus Shops Credit Union, minutes of the board of directors' meeting, February 10, 1953, p. 110.

15 Molson's Employees Credit Union, Annual Report, 1959.

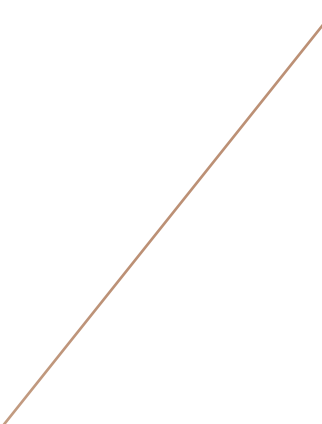
16 Lord, *Histoire de la Caisse d'économie Molson*, pp. 9–10.

committee invited credit unions in Quebec, including the Windsor Credit Union at the company's head office, to join them in petitioning their employer. Even so, it would be another 10 years before payroll deduction became a reality in 1966. The initiative would once again start in Ontario. This time, it was the Terminal Credit Union in Toronto that led the way. One of the representatives visited the Angus Shops Credit Union Board of Directors to present the idea of payroll deduction at the CPR. The board of directors was not unanimous—but after fierce debate and even though “division” remained, the project was adopted. At the Windsor Credit Union, the proposed service was overwhelmingly rejected by members. Despite the many advantages of payroll deduction, members feared a “lack of privacy.”¹⁷ The service was finally implemented two years later at the Windsor Credit Union, when they followed the example of the other 26 CPR credit unions of Quebec and Ontario that already offered the service.

Payroll deduction was introduced at the CNR at about the same time. It was announced that it would be offered at the Point Credit Union as of 1966, but the service was delayed by two years due to changes in the railway company's accounting system. In September 1968, payroll deduction was available at credit unions in the St. Lawrence and Great Lakes regions in Quebec and Ontario. In the following months, 23% of members at the Point Credit Union enrolled.¹⁸

17 *Windsor Credit Union News*. Vol. 12, No. 4, 1968.

18 CN Employees Credit Union, Annual Report, 1968.



At the Molson's Employees Credit Union, the employer offered the service free of charge in winter 1962. The collection system had stopped a few months earlier when the credit union was robbed overnight.¹⁹ Payroll deduction also began at this time at Caisse de crédit des employés de tramways. As its manager Jean-Marc McDougall explained in 1967, payroll deduction allowed the credit union to pull in an impressive \$37,000 weekly, totalling nearly \$2 million annually.²⁰ Thus, the service had a major impact on the growth of the credit unions that offered it, due to the money coming in almost automatically. It was a competitive advantage for credit unions, since caisses populaires and banks didn't offer it.



19 Lord, *Histoire de la Caisse d'économie Molson*, pp. 18–20.

20 Montreal Transport Commission Employees Credit Union, Annual Report, 1967.

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A MONTREAL
TRANSPORTATION
COMMISSION BUS IN 1970.

(BANQ, FONDS HENRI RÉMILLARD)



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LOANS FOR VACATIONS, CARS AND HOUSES

A credit union is a savings and credit cooperative. Along with savings, lending money is one of its core functions. While consumer credit became increasingly common after World War II, credit unions continued to encourage members to use it carefully. As we see in the annual report of Caisse de crédit des employés de tramways in the late 1960s, Jean-Marc McDougall reminded members to use credit wisely, make a budget and save to avoid living beyond their means. Nevertheless, this decade saw a major increase in loans.

Most loan applications were reviewed by the credit committee. For committee members, who were elected at the general meeting, it was a major time commitment given all the work involved: They met at least once a week, and sometimes more. They also needed in-depth knowledge of the borrower's profile, because the guarantee for a loan was largely based on mutual trust. At the time, workplaces were close-knit, and a strong sense of solidarity sometimes existed among members. A remarkable show of this solidarity occurred at the Angus Shops Credit Union in 1952, when the board of directors decided that "interest on loans of sick members over a month (sickness) be paid out of the surplus fund."²¹ Nevertheless, dishonesty was not unheard of among members. Managers sometimes had to work out arrangements and be very patient to get members to repay their loans.²² Once a member's reputation was lost, though, it was difficult to regain.

In 1964, the Angus Shops Credit Union granted 6,400 loans, for a total of \$900,000. Looking at the loans in order of size shows that the credit union mostly lent small amounts. In fact, 60% of loans

21 Angus Shops Credit Union, minutes of the board of directors, meeting, September 10, 1952.

22 Lord, *Histoire de la Caisse d'économie Molson*, pp. 16–17.

were for \$25 or less. Coming in second was the \$200 to \$400 range, which made up 9% of all loans. It had been that way since the turn of the century, as the goal of credit unions was to focus more on small loans. This ideal, defended by Alphonse Desjardins, is there for all to see in the statutes and bylaws of the credit unions at the time.

Data available from other credit unions sheds light on the most common reasons for borrowing money in the mid-1960s. At the Windsor Credit Union, members took out over 300 loans, for a total of \$100,000, to pay for their vacations. Representative of this transition period in the world of transportation, the second leading reason for a loan was to buy a new car, with a little over 200 loans, for a total of almost \$300,000. This amount represents about a third of the money lent that year. It was a similar situation at the Point Credit Union, where \$900,000 out of \$2.5 million was borrowed to buy cars.

tous les membres de la caisse
d'économie des employés du CN
savent qu'il est nécessaire
d'épargner... mais
il ne le font pas tous!

SAVIEZ-VOUS QUE ...

- un certificat d'épargne par "règlement automatique sur la paie" rapporte 6%* d'intérêt dès la 1re année
- la période d'épargne commence le 1er novembre pour se terminer en octobre
- si vous épargnez \$10 par paie – vous recevrez \$269.10
- si vous épargnez \$20 par paie – vous recevrez \$538.20
- vous bénéficiez d'un assurance-vie gratuite pour la durée de la période d'épargne, \$538.20 ou \$1,076.40

* Aucun frais d'administration.

La Caisse d'Économie du CN
1830 rue Leber, Montréal, Qué.

"Nous servons les familles du CN au Québec."



AN AD PROMOTING THE CN EMPLOYEES
CREDIT UNION'S SERVICES.

(DESJARDINS GROUP ARCHIVES)

Along with personal loans, credit unions with the most assets could also offer their members mortgages. The Windsor Credit Union announced this new service in 1960. Its first eight mortgages totalled \$70,000.²³ The Angus Shops Credit Union was already ahead of the curve in this area, granting 54 mortgages that same year for a total of \$170,000.²⁴

COMPLEMENTARY SERVICES: STRENGTH IN NUMBERS

The Angus Shops Credit Union and Windsor Credit Union, which were both connected to the CPR, sought to offer their members a wider range of services. From the early 1950s to the early 1960s, there are a few mentions of a purchasing committee at the two CPR credit unions and at the credit unions of Montreal firefighters and police officers.²⁵ Having strength in numbers allowed them to negotiate with businesses to obtain discounts and benefits for members. For example, in the early 1960s, the Windsor Credit Union signed a deal with Laurentian Heating for better rates on heating oil and with Lanthier et Frères for discounts on “all types of household furniture.”²⁶ This is the final mention of this committee, on which little information is available.

Early in the 1950s, these two credit unions were also among those involved in another initiative aimed at providing members with a greater array of services: the Montreal Cooperative Health Services. The cooperative was officially founded in fall 1950, and the initiative was presented to members at certain credit unions at the annual general meeting the following spring.²⁷ Information on the cooperative is scarce, though. As its name suggests, it offered credit union members access to health services. At the start of 1954, nearly 30 credit unions were part of the cooperative. It had 2,500 individual members, a third of which were from the Angus Shops Credit Union.²⁸ But it was short-lived: In January 1956, the credit union withdrew all its money invested in the cooperative, without further explanation.

23 *Windsor Credit Union News*. Vol. 4, No. 3, 1960.

24 Angus Shops Credit Union, minutes of the annual general meeting, March 31, 1961.

25 Angus Shops Credit Union, minutes of the board of directors' meeting, September 18, 1950.

26 *Windsor Credit Union News*. Vol. 8, No. 4, 1964.

27 Angus Shops Credit Union, minutes of the annual general meeting, May 22, 1951; Windsor Credit Union, minutes of the annual general meeting, May 31, 1951; *Quebec Official Gazette*, November 25, 1950, p. 2993. The name used at the time was “Co-operative Health Services of Montreal.”

28 Angus Shops Credit Union, minutes of the board of directors' meeting, January 18, 1954.

MONTREAL CREDIT UNIONS AND EXPO 67

The 1960s saw an upheaval taking place in Quebec, with the Quiet Revolution. This period of modernization was already underway in Montreal, where changes had begun the previous decade. Many major real-estate and infrastructure projects were transforming the cityscape, a trend accelerated by the announcement of the 1967 International and Universal Exposition, more commonly known as Expo 67. Some credit unions were directly affected by these transformations.

In order to create a “prestigious thoroughfare,” Dorchester Boulevard (now known as René Lévesque Boulevard east of Atwater Street) was widened in the 1950s. It started becoming the “skyscraper boulevard”²⁹ with several notable inaugurations in 1962: the CIL House (now the TELUS Tower) as well as the head offices of CIBC, Hydro-Québec and, particularly, Royal Bank of Canada at Place Ville Marie. The last of these distinguished itself with its height, architecture—especially its cross shape—and its impact on the railway network.

Place Ville Marie helped finish the Mt. Royal railway tunnel begun by the Canadian Northern Railway in the 1910s, by adding to the buildings put up by the CNR in the decades prior to the 1960s on the other side of Dorchester Boulevard.³⁰ The tracks that ran through the mountain emerged in a deep, vast cutting that marked the end of McGill Avenue and extended over most of the area bordered by Dorchester Boulevard and Mansfield, University (now known as Robert Bourassa Boulevard) and Cathcart streets. The real-estate project covered the huge cleft in the ground that used to be even bigger. The CNR had already built over part of it, starting with Central Station, which opened in 1943. Next to it on Dorchester the company built the vast, modern Queen Elizabeth Hotel about 10 years later, followed by the Terminal Tower. In 1961, its head office was at 935 De La Gauchetière Street West. The McGill Credit Union moved in shortly after, leaving the historic Grand Trunk building, and changed its name to the CN Complex Credit Union. Another credit union with ties to the railway company also changed its name at this time: The Point Credit Union became the CN Employees Credit Union.

29 Translation of text cited by Vanlaethem, France. “Architecture et urbanisme: la contribution d’Expo 67 à la modernisation de Montréal.” *Bulletin d’histoire politique*, Vol. 17, No. 1, 2008, p. 123.

30 McDowall, Duncan. *Quick to the Frontier: Canada’s Royal Bank*. McClelland & Stewart, 1993, pp. 346–353.



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DORCHESTER, MONTREAL'S
"SKYSCRAPER BOULEVARD."

(BANQ, FONDS HENRI RÉMILLARD)

The car was becoming more popular than the train, and the city had to adapt. In January 1960, the Métropolitain Boulevard was inaugurated. Work began on the Louis Hippolyte LaFontaine bridge and tunnel three years later, and plans were in the works for the Ville Marie Expressway. Yet congestion remained a growing concern. Talks of building a metro (subway) system were nothing new, but they started to get more serious at the end of World War II. Digging finally started in 1962 for the first two lines, which would include approximately 20 stations: Atwater to Papineau on Line 1 and Place d'Armes to Henri-Bourassa on Line 2. Canadian Vickers was awarded the contract to build the model MR-63 rubber-tired rolling stock. The grand opening took place in October 1966, just a few months before Expo 67 kicked off.

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Caisse Desjardins des Transports: History in Motion



b

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THE BERRI-UQAM METRO STATION WAS INITIALLY CALLED BERRI-DE MONTIGNY. *HOMMAGE AUX FONDATEURS DE LA VILLE DE MONTRÉAL*, BY PIERRE GABORIAU AND PIERRE OSTERRATH, HONOURS THE CITY'S FOUNDERS. IT WAS A GIFT FROM MONTREAL AREA DESJARDINS CAISSES POPULAIRES.

(BANQ, FONDS HENRI RÉMILLARD)

b

THE MODEL MR-63 RUBBER-TIRED ROLLING STOCK WAS MADE BY CANADIAN VICKERS.

(CITY OF MONTREAL ARCHIVES)

That year, due to the event, the Montreal Transport Commission (MTC) saw a record number of passengers—more than 300 million, the highest tally since the 1950s.³¹ To run the metro and make getting around easier for the many visitors, the MTC hired extensively during this period. The credit union seized this opportunity to expand its membership: It welcomed nearly 500 new members in 1965 and more than 800 in 1967.³² The credit union saw a surge in both assets and credit. In barely two years, its assets rose from just under \$700,000 to more than \$1.5 million. Moreover, it went from 2,000 loans totalling \$500,000 to 4,225 loans totalling \$1.3 million. In fact, the credit union had to borrow from the Fédération des caisses d'économie du Québec to meet demand. It also changed its name during this period, from Caisse de crédit des employés de tramways to the Montreal Transport Commission Employees Credit Union.



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EXPO 67 SPED UP THE
CITY'S TRANSFORMATION.
(BANQ, FONDS EUCLIDE SICOTTE)

b

A CANADIAN PACIFIC RAILWAY TRAIN
LEAVING WINDSOR STATION. THE
CONSTRUCTION OF CHÂTEAU CHAMPLAIN
IS UNDERWAY IN THE BACKGROUND.

(BANQ, FONDS ARMOUR LANDRY)

31 Montreal Urban Community Transit Commission, Annual Report, 1976.

32 Montreal Transport Commission Employees Credit Union, Annual Report, 1965 and 1967. The information could not be found for 1966.



Some real-estate projects were created specifically for Expo 67, accelerating the modernization already well underway in Montreal. This was the case with Place Bonaventure. Built by the CNR, it completed the railway system in the downtown area. As for the CPR, it built the Château Champlain Hotel across from Windsor Station to accommodate the many travellers in town for Expo 67. The building, which was designed to echo the station's arches, is to this day the tallest in Montreal to house a hotel. Its employees were offered membership in the Windsor Credit Union.

Many prominent Montreal businesses were involved in Expo 67. Both major railway companies had a pavilion onsite. The restaurants and pavilions were powered by natural gas provided by Gaz Métropolitain.³³ The Dow Brewery had the Dow Planetarium built at the corner of Peel and Notre Dame streets, across from its factory. Still, when the planetarium opened in 1966, the company was in turmoil. Some consumers in Quebec City died from an excess of cobalt sulfate in the beer. Sales plummeted. O’Keefe bought the Dow Brewery in 1967. The same year, the Dow Brewery (Quebec) Employees Credit Union (Montreal) changed its name to the C.B.E. Employees Credit Union.

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THE DOW BREWERY AND
THE SITE OF THE FUTURE
DOW PLANETARIUM. THE
CANADIEN NATIONAL RAILWAY
STATION THAT REPLACED
BONAVENTURE STATION AFTER
IT WAS TAKEN DOWN.

(BANQ, FONDS ARMOUR LANDRY)



33 Bolduc, André. “Gaz Métropolitain: une part croissante du bilan énergétique québécois.” *La Presse*, promotional section, November 29, 1997, p. 3.



Name changes (1963–1967)

Year	Former name	New name
1963	Point Credit Union	CN Employees Credit Union
1964	McGill Credit Union	CN Complex Credit Union
1964	Caisse de crédit des employés de tramways	Montreal Transport Commission Employees Credit Union
1967	Dow Brewery (Quebec) Employees Credit Union (Montreal)	C.B.E. Employees Credit Union
1967	Labatt's Employees Quebec Credit Union	Caisse d'économie des employés Labatt



A MANIFOLD MOVEMENT: THE CREDIT UNION FEDERATIONS AND LEAGUE

a

SAMPLES OF CREDIT
UNION LETTERHEADS.

(CAISSE DES JARDINS DES
TRANSPORTS ARCHIVES)

During this period, there were several savings and credit cooperative organizations in Quebec. Desjardins Group consisted only of caisses populaires, meaning financial cooperatives that served people living in a given territory. All the credit unions set up to serve a group of people, usually in a workplace, were affiliated with other organizations that were completely independent. The first, which we saw earlier, was the Quebec Credit Union League. Founded in the 1940s, it splintered twice over the next two decades, giving rise to other federations.

In 1951, two credit unions left the League to form the Cendel Credit Union Federation.³⁴ Other credit unions would follow. There wouldn't be many, but they were significant, such as the Windsor Credit Union and CN Employees Credit Union. At the end of the 1960s, the latter played a pivotal role in the organization, as it housed its head office, and its manager was also manager of the Cendel Credit Union Federation. The League was experiencing difficulties and other credit unions chose to join the Cendel Credit Union Federation, including the Molson's Employees Credit Union, Frigate Credit Union and CN Complex Credit Union.

In 1962, after failing to get the League to use more French and improve its services, several credit unions left to form the Fédération des caisses d'économie du Québec. The founding credit unions were some of the largest in terms of assets: the Montreal Firemen's Credit Union, Angus Shops Credit Union and Montreal Transport Commission Employees Credit Union. The last two were involved in the organization. Avila

34 They were the Centrale Credit Union and Delphic Credit Union. The word "Cendel" combines the first syllables of "Centrale" and "Delphic." Quebec Bureau of Statistics. *Annuaire du Québec* 1973. Government of Quebec, 1973, p. 807.

Bourbonnais, Manager of the Angus Shops Credit Union, chaired the Fédération at the end of the decade. Jean-Marc McDougall, Manager of the Montreal Transport Commission Employees Credit Union, sat on the board of directors and then on the credit committee for many years. The Fédération was very active in the 1960s, founding a number of credit unions and welcoming many defectors from the League. In 1970, it had 184 credit unions and assets totalling \$90 million.



THE LOGO OF THE
FÉDÉRATION DES CAISSES
D'ÉCONOMIE DU QUÉBEC.

(DESJARDINS GROUP ARCHIVES)

CONSEIL D'ADMINISTRATION



ALBERT RÉMILLARD
Pompiers de Montréal
Président



ROBERT GIRARD
Sylvania Drummondville
Vice-Président



ROGER CHAMBERLAND
Pompiers de Montréal
Secrétaire



LOUIS-E. MAILHOT
Reynolds Aluminum
Steinberg



MONIQUE MACHABÉE
Steinberg



AVILA BOURBONNAIS
Usines Anqus



JEAN-MARC MC DOUGALL
Employés de la C.T.M.



RENÉ PARÉ
Bureau
Hydro-Québec



CHS. HENRI TREMBLAY
C.N.R. Champlain

COMMISSION DE CRÉDIT



CHS. DOLLARD GLADU
Pompiers de Montréal
Président



ROGER LÉONARD
Steinberg



IRÉNÉE LÉTOURNEAU
Employés d'Avonneris

CONSEIL DE SURVEILLANCE



JEAN CLOUTIER
St-Luc Yard
Président



JULES MÉRETTE
Douanes et Accise



ANDRÉ ST-ANTOINE
Usines Anqus

b

MEMBERS OF THE FÉDÉRATION DES
CAISSES D'ÉCONOMIE DU QUÉBEC'S BOARD
OF DIRECTORS, CREDIT COMMITTEE AND
BOARD OF SUPERVISION, IN 1962.

(DESJARDINS GROUP ARCHIVES)

b

Affiliation in 1969 of the 22 credit unions that would form Caisse Desjardins des Transports

Organization	Affiliated credit unions	Number of members
Cendel Credit Union Federation Total: 20 credit unions	1. Frigate Credit Union	1,095
	2. Windsor Credit Union	2,116
	3. CN Complex Credit Union	2,600
	4. CN Employees Credit Union	8,738
	5. Molson's Employees Credit Union	1,668
Quebec Credit Union League Total: 158 credit unions	1. Canat Credit Union	604
	2. Pharma Credit Union	537
	3. Beaver Credit Union	421
	4. Revac Credit Union	895
	5. Glen Credit Union	770
	6. Hump Yard Employees Credit Union	472
Fédération des caisses d'économie du Québec Total: 166 credit unions	1. Cartier Credit Union	772
	2. Angus Shops Credit Union	4 421
	3. Montreal Transport Commission Employees Credit Union	3 857
	4. St. Luc Yard Credit Union	713
	5. Caisse d'économie des employés Labatt	413
	6. Génie Credit Union	958
	7. Caisse d'économie des employés du camionnage du Québec	433
	8. Caisse d'économie C.A.C.	1 030
	9. Coca-Cola Employees Credit Union	n.d.
	10. C.B.E. Employees Credit Union	835
	11. Caisse d'économie des employés de la Compagnie Générale Électrique	390

Having weathered the storm, the League got a fresh start in the 1970s. It reorganized and consolidated with the Cendel Credit Union Federation. The new League had 112 affiliated credit unions and \$100 million in assets. General management was entrusted to Maurice J. King, who continued to manage the CN Employees Credit Union too. The former mayor of Brossard and CNR employee seemed like the right person to take over the reins of the League after its struggles.³⁵

Credit unions founded at the CPR had something else in common. In addition to belonging to the League, Cendel or Fédération, they were all part of another organization. In the early 1960s, there were about 50 CPR credit unions in Canada, with about 25,000 members in all.³⁶ In 1956, a meeting was held in Winnipeg to discuss creating a federation of CPR credit unions. Delegates from the Angus Shops Credit Union took part, but the project didn't seem to get off the ground right away. In subsequent years, the idea was championed by the Windsor Credit Union and its chair, Mike Barr, among others.³⁷ The Canadian Pacific Railway Employees' Credit Union Federation was finally founded. The organization lasted for a while; the Angus Credit Union was still sending delegates in the early 1990s.³⁸ Not much information is available on its activities or inner workings. It seems the Federation's main purpose was to share best practices and represent the credit unions in talks with the CPR.³⁹

35 Lord, *Histoire de la Caisse d'économie Molson*, p. 39.

36 *Windsor Credit Union News*. Vol. 7, No. 3, 1963.

37 *Windsor Credit Union News*. Vol. 10, No. 3, 1966.

38 Angus Credit Union, minutes of the annual general meeting, August 10, 1993.

39 *Windsor Credit Union News*. Vol. 7, No. 3, 1963.

RAPID GROWTH AND TALKS OF MERGERS

By the late 1960s, the vast majority of credit unions were still relatively modest in size, according to a survey by the Quebec Bureau of Statistics. Among the respondents, 122 had assets of less than \$100,000 and only nine had over \$1 million in assets.⁴⁰ Some of the 22 credit unions that would form Caisse Desjardins des Transports were among the largest. This was a time of significant growth for them—well above average, in fact.

At the Angus Shops Credit Union, assets leapt from \$70,000 after its first year of operation in 1950 to more than \$500,000 four years later. It would pass the \$1 million mark in 1958. This figure would then double in only four years. The Point Credit Union's assets rose from \$500,000 in 1956 to \$1 million three years later. This growth picked up speed in the 1960s and assets exceeded \$5 million in 1965. By the end of the decade, it had the most assets of the 22 credit unions that would form Caisse Desjardins des Transports. Among the millionaire credit unions, there were also the Molson's Employees Credit Union as of 1965 and the Windsor Credit Union in the latter half of the decade. As for the Montreal Transport Commission Employees Credit Union, its growth accelerated thanks to Expo 67, as we saw earlier.

At the two railway networks, the largest credit unions were interested in mergers. As the 1960s got underway, there were talks to merge four CPR credit unions: Windsor, Telem, Glen and Beaver.⁴¹ The lack of documents makes it difficult to determine the reasons for this merger, but one thing is certain: The idea was led by the Windsor Credit Union, whose growth far exceeded the other three. It had over 2,000 members and already posted millions in assets, whereas the other three credit unions each had 600 to 700 members and \$120,000 to \$250,000 in assets. In the end, the proposed merger fell through.

40 Quebec Bureau of Statistics. *L'emploi et les salaires dans les caisses populaires et les caisses d'économie en septembre 1967 au Québec*, p. 22. It's not a complete portrait, given that only 144 out of 250 credit unions responded to the survey.

41 In theory, the proposed merger included the Killarney Credit Union of the C.P.R. Express, but it was not present at the first meeting. *Windsor Credit Union News*. Vol. 7, No. 3, 1963.

Similar plans were discussed at the CNR. In 1963, the Point Credit Union adopted a new name that reflected its ambitions: the CN Employees Credit Union. Its membership extended beyond the one yard in Pointe-Saint-Charles. The previous year, its ranks had grown to include the former members of the CNR credit union in the town of Senneterre, in Abitibi-Témiscamingue. Members from Quebec City joined as well, as shown by the area's representatives on the board of directors. In fact, the credit union said it could serve members from anywhere in the province,⁴² thanks to its 200 representatives from across the various workplaces at the CNR.

Nonetheless, the manager of the CN Employees Credit Union, Maurice J. King, wanted to take things even further. In 1963, he announced his goals for the upcoming year in the annual report: "Our efforts will consist mainly in uniting independent credit unions, which we find in various departments at the CNR, into a single organization that can provide the most cooperative services."⁴³ The initiative was rejected outright by the board of directors of the CN Complex Credit Union at the railway company's head office.⁴⁴ Despite that, the idea persisted. Seven years later, the chair of the CN Employees Credit Union, A. Edgley, once again brought up the subject: "We have not yet been able to obtain the consolidation necessary among Canadian National's credit unions to offer each employee complete services."⁴⁵ He reiterated his hope that it would soon come to fruition. Yet at both the CNR and CPR, the idea of one credit union for all employees in Quebec would not be realized until years later, as we will see.

42 Desjardins Archives. Transit 92219 incorporation file, *La Caisse d'économie des employés du CN qui fournit sécurité et service à la famille du Canadien National au Québec*. This was not the only credit union to recruit from further afield. In the 1960s, the Molson's Employees Credit Union also had members from Quebec City.

43 CN Employees Credit Union, Annual Report, 1963.

44 Desjardins Archives. Transit 92219 incorporation file, Letter from E. A. Goodman to R. W. Worraker, undated [around December 1965 to January 1966].

45 CN Employees Credit Union, Annual Report, 1970. Edgley's full name is unknown.

For some credit unions, the early decades of their existence were marked by rapid growth. “It grew more than we expected and it grew really fast, but it was thanks to ‘word of mouth’ at the factory,”⁴⁶ recalled Charles-Édouard Lefebvre of the Angus Shops Credit Union. But the foundations of this growth were fragile. The number of employees at the CPR shops started to dwindle at the same time as the credit union was being founded. Between 1948 and 1961, the shops dropped from 6,200 to 3,500 employees, for a 43.9% reduction.⁴⁷ The massive CPR site was not alone in this: The CNR and many other employers were bracing for tougher times. While the economic conditions of the 1950s and 1960s benefitted certain credit unions greatly, the context was about to change. The next two decades would bring their share of challenges.



46 Gaétan Nadeau's personal archives. Translation of interview with Charles-Édouard Lefebvre by Gaétan Nadeau, March 8, 2002.

47 Nadeau. *Angus*, p. 185.



THE CANADIEN NATIONAL
RAILWAY HEAD OFFICE.

(CITY OF MONTREAL ARCHIVES)



Unifying the savings and credit cooperatives (1968-1991)

While the 1940s to the 1960s were a time of expansion for Quebec's credit unions, the 1970s and 1980s were marked by consolidation. Although they had once served specific groups of workers, many of the 22 credit unions that would form Caisse Desjardins des Transports now welcomed new members into their ranks. This move toward a multigroup credit union was precipitated by a more difficult economic climate and stiffer competition. This consolidation occurred at both the Fédération des caisses d'économie du Québec and the Quebec Credit Union League, both of which joined Desjardins Group during this period. A key reason for these affiliations was a technological race among financial institutions. As for Montreal, it was again in the international spotlight thanks to the Olympic Games, but its economy continued to shift. Major chapters in its industrial history came to a close, impacting the credit unions.

CHAPTER 4



COMPETITION, REGULATIONS AND INFLATION

Two laws adopted in 1967 altered the course of history for savings and credit cooperatives. First, the Bank Act liberalized and shook up the Canadian banking system. This opened things up for banks to move into personal banking services, also known as retail banking, whereas they had traditionally focused on business services. The local bank branch transformed itself into a “centre of diversified retail financial services for the man of ordinary means.”¹ Banks could now break into the mortgage market, an area that had been partially opened up to them with the 1954 revision of the Act. They dove into the consumer credit market too, and their Canadian market share jumped from 15% in 1952 to 41% in 1971.² The revised Act heralded the arrival of competition in the personal savings and credit services market, which the caisses populaires and credit unions had until then dominated in Quebec.³

The second important law enacted in 1967 in Quebec was the Deposit Insurance Act. Over the next three years, the Quebec Deposit Insurance Board was put in place to protect depositors for up to \$20,000 in case their financial institution went bankrupt. When the bill was introduced, the Fédération des caisses d'économie du Québec tried in vain to have cooperatives exempted from the legislation. The bill proposed stricter regulations. Deposit institutions under Quebec's jurisdiction would have to meet the Board's requirements for a permit they would need to renew annually. When the Board started its activities in 1970, it denied permits to at least 10 Fédération credit unions.⁴

- 1 McDowall, Duncan. *Quick to the Frontier: Canada's Royal Bank*, p. 357.
- 2 Neufeld, Edward Peter. *The Financial System of Canada: Its Growth and Development*, Macmillan of Canada, 1972, p. 128.
- 3 Bernard, Francine. *Cooperative Structures and Crisis Management*, doctoral thesis, Harvard University, 1976, p. 58.
- 4 Fédération des caisses d'économie du Québec, *Informations*, Vol. 1, No. 7, 1970; “L'assurance-dépôt ne doit pas toucher les coopératives – *Les caisses d'économie*,” *La Presse*, March 17, 1967, p. 2.

As competition was ramping up and regulations were tightening, the cost of living was rising substantially. To counter inflation, savers kept a close eye on the high interest rates, making competition even fiercer for depositors' money. The chair of the CN Employees Credit Union qualified 1973 as "very difficult" due to the "high rate on money."⁵ Things didn't get any better the following year, and he noted that members were not especially loyal to their cooperative:

Many of our members who withdrew money to deposit it elsewhere at a quarter percent more were surprised when we were unable to grant them big loans. We hope they've learned that a credit union can only operate with its own deposits and that by its nature, a credit union is a place where they can save money at a reasonable rate so they can borrow money at a reasonable rate when they need it.⁶

Members turned to other financial institutions not only for their savings, but for credit too. A few years later, the manager of the CN Employees Credit Union wondered, "Why do CN workers borrow from loan companies, use department store credit cards or carry unpaid credit card balances?"⁷ After having been somewhat bound to their credit unions, members now had a wider range of financial institutions to choose from.

Since the 22 credit unions that would form the current Caisse Desjardins des Transports were all in Montreal, they faced more competition than anywhere else in Quebec. Moreover, they were in a city with a much higher risk of robbery.

5 CN Employees Credit Union, Annual Report, 1973.

6 CN Employees Credit Union, Annual Report, 1974.

7 CN Employees Credit Union, Annual Report, 1978.

MONTREAL, THE BANK ROBBERY CAPITAL OF NORTH AMERICA

In the 1970s, Montreal had the dubious title of bank robbery capital of North America. It would be easy to think that being of modest size would keep the credit unions out of criminals' crosshairs. Far from it. Most credit unions had minimal security, making them easy prey. Robbers often employed the same modus operandi: Strike on payday, when cash has just been delivered. That's how it unfolded at the Molson's Employees Credit Union in September 1968. Four armed men made off with \$10,000 as the handcuffed employees could only look on. The scene was immortalized by a photographer from the daily newspaper *La Presse*, who arrived shortly after.

Things took a more tragic turn at the Angus Shops Credit Union the following year. Cash was being unloaded when bandits with machine guns burst in and stole \$130,000. Brink's agent Réal Champagne was murdered, an event witnessed by manager Avila Bourbonnais. The shooting sent shockwaves through the credit union, which had also recently been held up. The board of directors was eager to leave the Angus Shops for a safer setting.





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The credit union turned to the head office of the Fédération des caisses d'économie du Québec, where the second floor was vacant. In fall 1970, the Angus Shops Credit Union set up at 5705 Sherbrooke Street East, leaving the site that had seen its birth and development. With its proximity to the Fédération, it was decided that it would act as a “model credit union and testing ground” as well as take on the mantle of central credit union for the Fédération.⁸ However, being farther from the Angus Shops had several consequences. Initially, there was a dip in its assets. But most of all, it triggered a change in the very nature of the Angus Shops Credit Union in the years that followed, as it opened up to other groups of workers. And it was not alone in broadening its membership: This became the general trend among credit unions in the 1970s.

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EMPLOYEES OF THE MOLSON'S
EMPLOYEES CREDIT UNION
HANDCUFFED BY ROBBERS DURING
A HEIST IN SEPTEMBER 1968.

(BANQ, FONDS LA PRESSE, MICHEL GRAVEL)

b

IN 1970, THE ANGUS SHOPS CREDIT
UNION MOVED TO 5705 SHERBROOKE
STREET EAST, WHICH ALSO HOUSED
THE FÉDÉRATION DES CAISSES
D'ÉCONOMIE DU QUÉBEC HEAD OFFICE.

(DESJARDINS GROUP ARCHIVES)

8 Fédération des caisses d'économie du Québec, *Informations*, Vol. 1, No. 7. 1970.

THE BIRTH OF MULTIGROUP CREDIT UNIONS

After the proliferation of credit unions and near-constant growth in membership in the 1950s and 1960s, things started to change. Some credit unions topped out on the number of members they could recruit in the workplace where they operated. This was clearly noted at Gaz Métropolitain's Génie Credit Union. In 1976, it had 1,150 members—nearly all of the company's personnel.⁹ Working with the Fédération des caisses d'économie du Québec, the credit union set out to find new ways to keep growing: "Instead of one credit union = one industry, the solution should be one credit union and several industries."¹⁰ In short, the cooperative would serve other workplaces and become a multigroup credit union. Paradoxically, the Génie Credit Union didn't actually take steps to achieve this, while many other credit unions opened their doors very wide to new categories of members.

For the Angus Shops Credit Union, the process began when it officially merged with Caisse d'économie des employés du camionnage du Québec in summer 1972. The next year, it started welcoming Catelli workers from the Notre Dame Street factory, close to the head office. Members of Caisse d'économie des Débardeurs de Montréal also joined the Angus Shops Credit Union, without any formal merger. Their arrival was met with some trepidation, as Avila Bourbonnais, Manager of the Angus Shops Credit Union recalled in an interview a few years later: "We'd always been wary of the longshore workers, and yet, they're one of our best groups. [...] We thought they were a bunch of beer drinkers, a little 'rough.' But the reality was quite the opposite."¹¹ In 1975, the credit union also added members from Caisse d'économie du papier façonné and Johnson & Johnson Ltd. Employees Credit Union, without an actual merger taking place. All of the workplaces that joined the Angus Shops Credit Union were near the head office.



THE LONGSHORE WORKERS JOINED THE ANGUS SHOPS CREDIT UNION, WITHOUT ANY FORMAL MERGER.

(BANQ, FONDS LA PRESSE, PAUL-HENRI TALBOT)



9 According to its 1979 annual report, Gaz Métropolitain had a little over 1,000 employees.

10 Génie Credit Union, minutes of the board of directors' meeting, January 13, 1976.

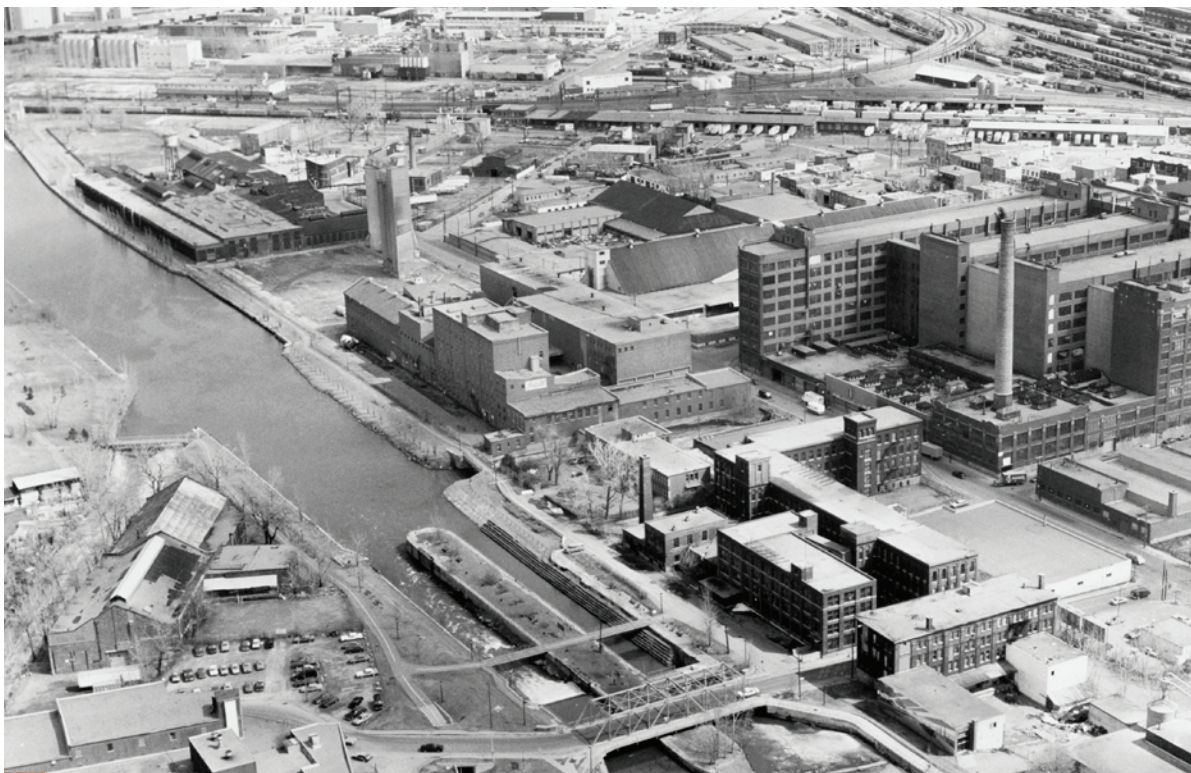
11 Translation of interview with Avila Bourbonnais, p. 44.



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Nothing changed in how the credit union was run. For the time being, only former and current workers of the Angus Shops sat on the board of directors.¹² The new, shorter name it adopted was the only notable difference: Angus Credit Union. In barely five years, the credit union created solely for workers at the CP shops morphed into a credit union dedicated mainly to the industrial sector and, to a lesser extent, to the transportation sector, with truck drivers and longshore workers among its members. Was the credit union fulfilling its role of a “model credit union and testing ground” within the Fédération des caisses d’économie du Québec? Possibly, since many other credit unions followed suit and added workers from neighbouring businesses. In a way, they were moving toward the territory-based *caisse populaire* model, since the newcomers were in the same geographic area without necessarily being in the same industry.

12 Interview with Avila Bourbonnais, pp. 45–46.



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Other credit unions started the shift in 1978. The CN Employees Credit Union took in workers from Redpath Sugar. The refinery was a stone's throw from the credit union, by the Lachine Canal. The same change occurred at Caisse d'économie des employés de la Compagnie Générale Électrique. The credit union added workers from the Canadian Steel Foundries Limited factory mere metres away on Notre Dame Street and renamed itself Caisse d'économie Dickson, after the street it was on. The Coca-Cola Employees Credit Union also expanded its scope in 1981. It changed its name to Caisse d'économie Alpha and accepted members from the Centre de réadaptation Lucie-Bruneau, Abbott Laboratories Ltd. and J. René Ouimet Entreprises Ltd.

a

THE CN EMPLOYEES CREDIT UNION TOOK IN WORKERS FROM REDPATH SUGAR.

(BANQ, FONDS LA PRESSE)

b

BETWEEN 1978 AND 1983, CHABOLLEZ CREDIT UNION SERVED EMPLOYEES OF THE O'KEEFE BREWERY AND THE UNEMPLOYMENT INSURANCE COMMISSION.

(DESJARDINS GROUP ARCHIVES)

Things were a little different over at the brewers' credit unions. The Molson's Employees Credit Union was unique in that it opened itself to members from other businesses, provided these businesses belonged to the Molson family's conglomerate. Yet it still changed its name to the Select Credit Union in 1973.¹³ As for the O'Keefe Employees Credit Union (formerly Dow), it initially moved in the same direction as the others in 1978. It merged with Caisse d'économie C.A.C. (Commission d'assurance chômage) and, using the name of the park that separated the two workplaces, became the Chaboillez Credit Union.¹⁴ This pairing would be short-lived, however. Just five years later, the credit union decided to focus exclusively on current and retired O'Keefe workers.

In the late 1970s, some credit unions became multigroup credit unions. Coupled with mergers, this process allowed some to achieve greater size and status, at the cost of having a less clearly defined identity. This was primarily, but not only, due to the number of members levelling off, as stated earlier. That said, not all credit unions were affected by this reality in the mid-1970s. Some happened to be well-positioned to recruit new members.



13 Select Credit Union. *Contact*, Vol. 3, July 1978, p. 3.

14 It seems that the C.A.C., formerly at 1441 St. Urbain Street, moved into the federal government building at 715 Peel Street.

Name changes and mergers (1969–1983)

Year	Former name or merged credit unions	New name
→ 1969	C.B.E. Employees Credit Union	Dow-O’Keefe Employees Credit Union
↻ 1972	Angus Shops Credit Union Caisse d’économie des employés du camionnage du Québec	Angus Credit Union
→ 1973	Molson’s Employees Credit Union	Select Credit Union
→ 1975	Dow-O’Keefe Employees Credit Union	O’Keefe Employees Credit Union
→ 1977	O’Keefe Employees Credit Union	Chaboillez Credit Union
→ 1978	Caisse d’économie des employés de la Compagnie Générale Électrique	Caisse d’économie Dickson
↻ 1978	Chaboillez Credit Union Caisse d’économie C.A.C.	Chaboillez Credit Union
→ 1981	Coca-Cola Employees Credit Union	Caisse d’économie Alpha
→ 1981	Hump Yard Employees Credit Union	Caisse d’économie CN triage Taschereau
→ 1983	Chaboillez Credit Union	Caisse d’économie O’Keefe

↻ Merger → Name changes



A CROWD AT THE 1976 OLYMPICS
IN MONTREAL.

(BANQ, HENRI RÉMILLARD)

THE OLYMPICS AND THE MTC EMPLOYEES CREDIT UNION

In the first half of the 1970s, the major construction project that would once again transform Montreal's skyline was less in the downtown area and more in the east end, involving infrastructure for the 1976 Olympic Summer Games. Mayor Jean Drapeau felt this international event would build on the momentum generated by Expo 67. This time, however, things didn't go as smoothly. There were major cost overruns and many problems on the construction site.¹⁵ A case in point is the fact that the stadium's tower wasn't completed in time for the Olympics.

Even so, the Olympics brought first-class sports installations to the city and better public transportation. Nine stations were added to Line 1 of the metro, from Préfontaine to Honoré-Beaugrand. The Montreal Urban Community Transit Commission set a new record for passenger trips that year: more than 300 million, like at Expo 67. On July 23, 1976, it carried an unprecedented 750,000 passengers in a single day.¹⁶



15 Linteau. *Histoire de Montréal*, pp. 537 and 539.

16 Montreal Urban Community Transit Commission, Annual Report, 1976.

The Olympics had a certain impact on the Montreal Transport Commission Employees Credit Union, similar to what happened with Expo 67. Between 1974 and 1978, credit union membership rose significantly, from 4,600 to 5,400 members. The credit union had a dozen employees, including six women, who still worked out of the same location, the garage on Mt. Royal Avenue. However, the Commission which changed its name to Société de transport de la Communauté urbaine de Montréal in 1985—wanted the space back. As a result, in 1986, the credit union became one of the few to own a building for its head office, like the CN Employees Credit Union and Angus Credit Union.¹⁷



17 In 1981, the Fédération des caisses d'économie du Québec moved from its offices on Sherbrooke Street to 7755 Louis H. La Fontaine Boulevard in Anjou.

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THE HEAD OFFICE OF THE MONTREAL
TRANSPORT COMMISSION
EMPLOYEES CREDIT UNION WAS
STRATEGICALLY LOCATED.

(CAISSE DES JARDINS DES
TRANSPORTS ARCHIVES)

The location chosen was near a historic site for public transportation in Montreal. In 1911, the tramway company built the Youville shops on a vast piece of land that is now framed by Crémazie Boulevard, St. Laurent Boulevard, Sauvé Street and Henri Julien Avenue. At the heart of the tramway maintenance facilities was a gliding rail system for transferring cars to different tracks for construction and painting.¹⁸ In 1963, tramway maintenance gave way to the maintenance of metro rails. The network of tramway tracks connected to underground tracks at Crémazie Station. The Commission also built the Legendre garage for buses. The credit union opened right next to this nerve centre of the Société de transport, at 8635 St. Laurent Boulevard.

THE TECHNOLOGICAL RACE: UNIFYING THE SAVINGS AND CREDIT COOPERATIVES

In the 1970s, computers started becoming vital to a number of business activities, including banking services. Financial institutions competed in a technological race, generating major costs. Desjardins Group got a quick lead on the competition, allowing it to offer new services thanks to computers. The situation prompted big changes at Quebec's savings and credit cooperatives in the early 1980s. Previously scattered across various organizations, they gradually started joining forces.



18 Pharand. *À la belle époque des tramways*, p. 106.

At the end of the 1960s, the Fédération des caisses d'économie du Québec approached Desjardins Group about collaborations and a possible affiliation. It would mean becoming a member of the Confédération des caisses populaires et d'économie Desjardins du Québec, which already had 10 regional federations of Desjardins caisses populaires.¹⁹ The Fédération wasn't the only one to consider this idea. The Quebec Credit Union League made a similar proposal to Desjardins Group at about the same time.²⁰ In both cases, the affiliations remained in the planning stages. The Fédération and League were interested in Desjardins Group's inspection services, which were well organized and government-recognized. In the 1970s, computerization was the main draw for joining the Confédération.

In 1971, the Fédération des caisses d'économie du Québec adopted the banking machine system of the National Cash Register Company (NCR). The system allowed the Fédération to computerize savings, share capital and loans. That year, six credit unions adopted the system, including the Montreal Transport Commission Employees Credit Union. The new technology hit many snags in the months that followed, which no doubt explains why its rollout was suspended. At the Angus Credit Union, for instance, it was only installed two years later.²¹

Meanwhile, Desjardins Group launched its integrated caisse system, designed in partnership with IBM. While it too had technical issues early on, this system proved successful since it automated all accounting operations, which may have been a global first.²² What's more, it was perfectly tailored to caisses populaires' needs, unlike systems such as the NCR's that were created for banks.



THE BANKING SYSTEM TERMINAL
USED BY THE FÉDÉRATION DES
CAISSES D'ÉCONOMIE DU QUÉBEC.

(CAISSE DESJARDINS DU RÉSEAU
MUNICIPAL ARCHIVES)

- 19 Fédération de Québec des unions régionales de caisses populaires Desjardins, minutes of the board of directors' meeting, August 27, 1968, p. 1,317. At the time, the regional federations were known as "unions régionales" and the Confédération was called the "Fédération de Québec des unions régionales." The name change took place in 1979.
- 20 Desjardins Group archives. 11233-168. Recounted by Louis Arnaud to Paul-Émile Charron, *Ligue des caisses d'économie du Québec*, December 16, 1969.
- 21 Montreal Transport Commission Employees Credit Union, Annual Report, 1971; Fédération des caisses d'économie du Québec, minutes of the executive committee's meeting, February 8, 1972; Angus Credit Union, minutes of the board of directors' meeting, December 11, 1973.
- 22 Moquin, Claude. "SIC: une révolution comptable," *Revue Desjardins*, Vol. 39, No. 1, 1973, p. 18.



In 1975, Desjardins Group agreed to make its computer system available to League credit unions.²³ However, the preparatory work for the rollout would take a while. The CN Employees Credit Union, for example, was only linked to the system in April 1978.²⁴ A year after the Quebec Credit Union League, the Fédération des caisses d'économie du Québec submitted a similar request to Desjardins Group. Apparently, though, there were some conditions. The Fédération therefore decided to stay with the NCR system while still exploring other options, since new problems had arisen during that time.²⁵

23 Fédération de Québec des unions régionales, minutes of the board of directors' meeting, February 18, 1975, p. 1,816.

24 CN Employees Credit Union, Annual Report, 1977.

25 Fédération de Québec des unions régionales, minutes of the board of directors' meeting, January 20, 1976, p. 1,896; Fédération des caisses d'économie du Québec, minutes of the executive committee's meeting, December 21, 1978.

The integrated caisse system and NCR system were both, in essence, accounting and administration solutions. While they were useful to employees, they did little for members. That changed in 1975, when Desjardins Group expanded its inter-caisse service to all of Quebec. Presented as the “first tangible product of the new technological era for financial institutions,”²⁶ inter-caisse services were made possible by the integrated caisse system’s design. It enabled members of Caisse Populaire A to make transactions in their account while at Caisse Populaire B. To fully grasp what this innovation meant, it’s important to note that until then, members could only do business at the location where they had an account. The only way to do banking translations at another location was to open a new account as an auxiliary member. No other financial institution in North America had this type of service.²⁷ This gave Desjardins Group a leg up on banks, not to mention the League and Fédération credit unions. For although it was willing to share the integrated caisse system with the League, Desjardins had zero intention of giving up the competitive edge inter-caisse services provided.

In fall 1979, the Fédération des caisses d’économie du Québec and Desjardins Group agreed to an affiliation. The Confédération welcomed the Fédération into the fold, with its 115 affiliated credit unions and their 55 service centres, 210,000 members and \$310 million in assets. It was a milestone for savings and credit cooperatives in Quebec. As the daily newspaper *La Presse* commented at the time, “popular financing has reached its maturity.”²⁸



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CLAUDE BÉLAND AND ROBERT SOUPRAS AT THE SIGNING OF THE
FÉDÉRATION DES CAISSES D’ÉCONOMIE AFFILIATION AGREEMENT
WITH DESJARDINS GROUP, ALONG WITH FÉDÉRATION PRESIDENT
ALFRED ROULEAU AND GENERAL MANAGER RENÉ CROTEAU.

(DESJARDINS GROUP ARCHIVES)

- 26 Translation of Moquin, Claude. “Inter-Caisses: un service révolutionnaire,” *Revue Desjardins*, Vol. 39, No. 1, 1973, p. 56.
- 27 Moquin, Claude. “Inter-Caisses une innovation d’importance capitale,” *Revue Desjardins*, Vol. 41, No. 4, 1975, p. 34.
- 28 Translation of Guay, Ivan. “La finance populaire atteint sa maturité,” *La Presse*, September 24, 1979, p. A4.



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The general manager of the Fédération des caisses d'économie du Québec, Robert Soupras, said computers were one of the main reasons for joining Desjardins Group.²⁹ In the weeks that followed, two Fédération credit unions moved to the integrated caisse system, including the Angus Credit Union.³⁰ Most credit unions gradually followed suit, including the Caisse d'économie des employés Labatt in spring 1983 and Cartier Credit Union in fall 1985.

29 Centre de gestion des coopératives. *Entretien avec Robert Soupras*, École des hautes études commerciales, April 1992, p. 24.

30 Fédération des caisses d'économie du Québec, minutes of the executive committee's meeting, January 10, 1980.

Meanwhile, the Quebec Credit Union League was already using the integrated caisse system and kept operating as an independent organization. However, it took a hit in the early 1980s when its manager, Maurice J. King, was prosecuted for practices at the League and CN Employees Credit Union.³¹ He was cleared of all charges, but in the meantime, the League had been placed under government tutorship. It merged with the Fédération des caisses d'économie Desjardins in early 1981.³² Thus its 70 affiliated credit unions joined Desjardins Group, which now had nearly all savings and credit cooperatives in Quebec.

FIRST WAVE OF MERGERS

On December 31, 1984, the portrait of the credit unions that would form Caisse Desjardins des Transports looked rather different than it did at the end of the 1960s, given all the changes. Some had merged, some had kept on growing and others had slowed somewhat.

This period saw mergers between Desjardins caisses populaires that were struggling in the tough economic climate of the early part of the decade. The territory-based caisses populaires were not the only ones banding together. In the years that followed the affiliation at Desjardins Group, credit unions also start joining forces. Three mergers took place from 1984 to 1985 among the credit unions that would form Caisse Desjardins des Transports. First, Caisse d'économie Dickson merged with the Angus Credit Union. The year after, the Revac Credit Union and CN Complex Credit Union became one; having the two credit unions coexisting at the rail network's head office hardly seemed necessary, especially since the first had a lean \$630,000 in assets. The two merged in April 1985. Over at CP, the Glen Credit Union merged with the Windsor Credit Union in December.

31 Gagnon, Martha. "Tutelle possible pour la Ligue des caisses d'économie. Le directeur King est accusé d'une fraude de \$1,6 million," *La Presse*, September 22, 1979, p. A3; "Faux, fraudes, commissions secrètes Lex-maire King blanchi de toutes les accusations," *La Presse*, February 5, 1982, p. A2.

32 Drzymala, France C. "Fusion de la Ligue et de la Fédération," *Revue Desjardins*, Vol. 47, No. 4, 1981, pp. 42–43.

With about \$20 million in assets, the Montreal Transport Commission Employees Credit Union and Angus Credit Union now ranked fourth and fifth respectively among Quebec's credit unions. The CN Employees Credit Union remained a major institution, though it struggled in the early 1980s and now posted \$11.6 million in assets. Next were the Select Credit Union with \$9 million in assets and the Windsor Credit Union with \$7 million. The credit unions at Gaz Métropolitain and the Labatt and O'Keefe breweries followed with between \$4 million and \$5 million in assets. The other credit unions that would form Caisse Desjardins des Transports had assets under \$3.5 million.³³

As for membership, the Angus Credit Union was the leader with 7,500 members, ahead of the CN Employees Credit Union and Montreal Transport Commission Employees Credit Union, which had 6,000 members each. These three credit unions well ahead of the pack in membership: The Windsor Credit Union had 3,000 members and the Select Credit Union and CN Comlex Credit Union had a little over 2,000 members. The remaining credit unions had fewer than 1,600 members.

INDUSTRIAL MONTREAL: THE END OF AN ERA

The trends influencing Montreal's economy since the end of World War II continued, particularly with the loss of jobs in the industrial and manufacturing sectors. In this regard, the late 1980s and early 1990s were marked by the sale or closing of the city's once proud titans of industry, causing a ripple effect on the credit unions.

33 Fédération des caisses d'économie Desjardins du Québec, Annual Report, 1984, pp. 18–19.



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This period saw massive cuts at CN.³⁴ In 1987, for example, “the closing of the diesel-electric shop and numerous layoffs in the main shops”³⁵ led to a decline in membership of the CN Employees Credit Union. Two mergers in two years changed the landscape among the railway network’s credit unions. The CN Complex Credit Union and Caisse d’économie CN triage Taschereau merged to form the Complex Taschereau Credit Union in 1991. A few months later, this new credit union joined the Canat Credit Union. Seven years later, the Complex Taschereau Canat Credit Union changed its name to the CN Employees Desjardins Credit Union. As surprising as it might seem, two different credit unions had nearly identical names just a few years apart. The first was in the 1960s (the former Point Credit Union) before changing its name to the Rail Credit Union in 1993.

34 Mackay, Donald. *Peoples Railway: A History of Canadian National*, Douglas & McIntyre, 1992, p. 290-291 and p. 301.

35 CN Employees Credit Union, Annual Report, 1987, p. 3.

a

THE PERIOD SAW MASSIVE CUTS AT THE CANADIAN NATIONAL RAILWAY.

(BANQ, HENRI RÉMILLARD)

b

VATS AT THE LABATT BREWERY IN THE LATE 1980S AND EARLY 1990S.

(BANQ, LA PRESSE)

Changes were underway at the breweries as well. In spring 1989, Molson and O’Keefe surprised everyone by announcing a merger. They had been bitter rivals for years, given their respective ties to Quebec’s two National Hockey League teams, the Montreal Canadiens and Quebec Nordiques. Job cuts naturally followed. As a result, the chairs of the two credit unions wrote a letter reminding members how the cooperative could support them with financial advice.³⁶ They proposed a merger too, formalizing it a year later, under the name Caisse d’économie des employés Molson O’Keefe. In fall 1988, workers at Kraft experienced uncertainty as well when the company was sold to Philip Morris, the biggest tobacco company in the US.³⁷ In the end, though, the acquisition seemed to have little impact on employees or the Cartier Credit Union.



36 Desjardins Group archives. Transit 92217 incorporation file. Vézina, Denis and Blouin, Roger. Letter to O’Keefe and Molson credit union members as well as non-member employees, July 12, 1989.

37 Cartier Credit Union, Annual Report, 1989. The credit union’s annual report alludes to the change in ownership without saying it outright.

The 1980s were also turbulent for Canadian Vickers, which was sold twice. The former giant of Montreal's industrial sector finally closed in 1989. Approximately 400 people lost their jobs. These cuts came alongside hundreds more, as the closure was part of the "constant contraction"³⁸ of Montreal's east-end industrial park in previous years. The closing of Canadian Vickers meant the Frigate Credit Union no longer had a *raison d'être*, and so it joined the Angus Credit Union. The loss of Canadian Vickers was highly symbolic, but a bigger shock was about to come.

At noon on Monday, September 16, 1991, news outlets reported the Angus Shops would be closing in the coming year. Word quickly made the rounds, and CP confirmed it with workers in the hours that followed.³⁹ While the news did not come as a total surprise, it was still a tough blow for workers, retirees and Montreal's industrial sector as a whole. The shops have exceptional historical value, both collectively and individually. Over their 90 years of existence, how many thousands of lives revolved around them to some extent? The sense of belonging to the Angus Shops cannot be overstated. The scars left were exemplified by one of the last workers to leave, Gaétan Savoie, who couldn't bring himself to go anywhere near the site for years after.⁴⁰

38 Translation of Nadeau. *Angus*, p. 202.

39 Nadeau. *Angus*, p. 188–189.

40 Savoie, Gaétan and Megin, Lloyd. Interview by Pierre-Olivier Maheux, June 29, 2023.

The subject was broached with emotion in the Angus Credit Union's annual report: "We suffered a terrible loss in 1991 that we must draw particular attention to: the closing of the Angus Shops, where we first started. You, our members, know that your credit union will continue and will always exist as a bond between you and your former coworkers."⁴¹ It bears mentioning, though, that the credit union had distanced itself from the Angus Shops over the 20 previous years with the relocation of its head office and new groups joining the credit union. As a result, the closure was less of a blow for the cooperative. Having dedicated itself to the broader industrial sector, the credit union still went through some lean years due to multiple factory closures.⁴² Two years later, the deaths of two elected officers who had played active roles in the credit union since its inception truly marked the end of an era. Henri Bajot had been chair for over a quarter century and had been on the board since 1953. Avila Bourbonnais joined the board of supervision in 1949, served as general manager from 1955 to 1984 and was then on the board of directors.⁴³ His son, Guy Bourbonnais, still sat on the board, but a chapter in the credit union's history had nonetheless ended.

In the 1970s, CP occupied a considerably smaller space at the Angus Shops. Ideas were soon considered for the location, such as using it for the Olympics or for a shopping mall. The city of Montreal and government of Quebec finally purchased the land in the early 1980s and founded Société des terrains Angus to oversee its development. In the midst of a housing crisis and rate hikes, the community used the site to build affordable housing. News of the final closure in 1992 was another step in repurposing the land. This time, it was during a labour crisis, with unemployment climbing to nearly 15%. Société de développement Angus, a non-profit organization, was set up to create an industrial park to develop the community's economy. The transformation of the location initially built by the Canadian Pacific Railway was summed up succinctly by author Gaétan Nadeau: It went from "large capital to social economy."⁴⁴

41 Angus Credit Union, Annual Report, 1992, p. 3.

42 Angus Credit Union, Annual Report, 1994, p. 5.

43 Angus Credit Union, Annual Report, 1994, p. 3.

44 Translation of Nadeau, Gaétan. *Angus. Du grand capital à l'économie sociale, 1904–1992*. Vol. 1, Fides, 2020.



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The 1970s and 1980s were hard for many credit unions. The world around them was vastly different, and the economy proved challenging. Now affiliated with Desjardins Group, the credit unions had access to new products and services as well as cutting-edge technology. These elements would empower them to make the shift to advisory and online services in the coming decades.

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AN AERIAL VIEW OF THE ANGUS SHOPS IN 1969.

(CITY OF MONTREAL ARCHIVES)

Name changes and mergers (1984–1993)

Year	Former name or merged credit unions	New name
1984	Angus Credit Union Caisse d'économie Dickson	Angus Credit Union
1985	Revac Credit Union CN Complex Credit Union	CN Complex Credit Union
1985	Glen Credit Union Windsor Credit Union	Windsor Credit Union
1985	Select Credit Union	Caisse d'économie des employés de la Brasserie Molson
1986	Montreal Transport Commission Employees Credit Union	Caisse d'économie des employés de la S.T.C.U.M.
1990	Caisse d'économie des employés de la Brasserie Molson Caisse d'économie O'Keefe	Caisse d'économie des employés Molson O'Keefe
1991	Frigate Credit Union Angus Credit Union	Angus Credit Union
1991	CN Complex Credit Union Caisse d'économie CN triage Taschereau	Complex Taschereau Credit Union
1992	Complex Taschereau Credit Union Canat Credit Union	Complex Taschereau Canat Credit Union
1993	CN Employees Credit Union	Rail Credit Union

 Merger  Name changes

A rapid series of transformations (1992-2017)

In the early 1990s, the overall portrait of the credit unions that would form Caisse Desjardins des Transports was still relatively similar to how it had been in previous decades. Of course, there had been some changes: Whereas there had once been 22 credit unions, there were now a dozen. However, they still offered essentially the same services, focusing chiefly on traditional loans and savings. A rapid series of transformations lay ahead over the next quarter century. Deregulation and the arrival of the internet would revolutionize the way financial products and services were offered. Credit union decision-making bodies and Desjardins Group structures would change greatly. The most visible change for members, though, would be the multiple mergers, as the many workplace credit unions would give way to a small number of “sector credit unions.”

CHAPTER 5



Guichet Automatique



desjardins

FROM FINANCIAL SUPERMARKET TO INFORMATION SUPERHIGHWAY

In the early 1990s, one word was on everyone's mind at Canadian financial institutions: deregulation. The idea had been gaining momentum for over a decade and was now becoming a full-blown reality. Traditionally, the financial system had rested on four very distinct pillars: banking services, insurance, securities and trust services. Institutions were specialized in one of these areas of activity. The shift to “financial supermarkets,” or one-stop shops for all financial products and services, was happening in many countries. In the early 1980s, Quebec was paving the way in Canada thanks largely to provincial Minister of Finance Jacques Parizeau, who'd been championing the idea for a decade.¹

Since they were under provincial jurisdiction, savings and credit cooperatives were able to deregulate sooner. By creating two insurance companies and distributing their products with the help of caisses populaires as far back as the 1940s, Desjardins Group was ahead of its time. Like caisses populaires, credit unions offered life insurance on savings and loans. It was an appealing complementary offer for members, but it wasn't yet the integrated “referral” approach that would be emblematic of deregulation.

In the latter half of the 1980s, Desjardins Group was looking to better maximize the opportunities deregulation presented. Desjardins made a big splash in 1987 when it started selling property and casualty insurance directly in caisses populaires and credit unions as well as over the phone. Quebec's insurance industry—where agents had always been front and centre—was turned on its head, since selling without an intermediary meant faster service and, above all, lower rates. Insurance agents were sent to many caisses and credit unions to serve members right there and then. This meant that when members took out a mortgage or car loan, they could get insurance to go with it. The CN Employees Credit Union and Caisse d'économie des employés de la S.T.C.U.M. got in on the act quickly by having an insurance agent from Security General and, later, The Personal, onsite.²

1 Saint-Pierre, Diane (ed.). *Histoire de l'assurance de personnes: des sociétés de secours mutuels aux grandes institutions d'assurance*. Presses de l'Université Laval, 2015, pp. 354–357; MacIntosh, Robert. *Different Drummers. Banking & Politics in Canada*. Macmillan Canada, 1991, pp. 273–274.

2 CN Employees Credit Union, Annual Report, 1988; Caisse d'économie des employés de la S.T.C.U.M., Annual Report, 1989.



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TELLERS AT CAISSE D'ÉCONOMIE DES EMPLOYÉS DE LA S.T.C.U.M.

(CAISSE DESJARDINS DES TRANSPORTS ARCHIVES)

Thanks to deregulation, caisses and credit unions expanded their scope by moving into securities brokerage too. Many of the credit unions that would form Caisse Desjardins des Transports started offering this service in the early 1990s. The decision to offer securities brokerage was also in response to a major transformation in consumer habits: the move from saver to investor. In 1989, 50% of Quebec households' assets still comprised traditional deposits—in 10 years, that number would drop by half. Meanwhile, the amount of personal savings devoted to investment funds and securities in Quebec rocketed from 4% to 32%. This enthusiasm was primarily due to low interest rates at the time, coupled with soaring stock indexes.³

3 Couture, Mario. "Une décennie assez favorable aux épargnants." *Études économiques Desjardins*, Vol. 10, No. 3, 2000, p. 2.

The shift in savings was also observed at the credit unions. In 1997, deposits at Caisse d'économie des employés Molson O'Keefe were down by nearly 10%, while investment funds and securities shot up by 215% to reach nearly \$2 million. This transformed how credit unions operated. In the past, they would get deposits and grow the money themselves through loans and investments. Now, credit unions were putting some of the savings in someone else's hands, entrusting them to other Desjardins entities for a fee. The popularity of publicly traded stocks with Desjardins Securities and Desjardins Trust's investment funds contributed to the growth of credit unions' off-balance sheet assets and assets under management.

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ATMS FIRST APPEARED AT
DESJARDINS LOCATIONS IN 1981.

(DESJARDINS GROUP ARCHIVES)

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In addition to deregulation, another megatrend emerged: the use of new technology for banking. In 1981, automatic teller machines, or ATMs, first appeared in Desjardins credit unions. It was the dawn of self-service, as members enjoyed greater access to their money by independently doing some of the banking that used to be done by employees. Among the credit unions that would form the current Caisse Desjardins des Transports, the Angus Credit Union was one of the best equipped, with an ATM at its head office and another at the Maison des débardeurs.⁴ Desjardins then introduced its Visa credit card in 1981, ushering in a new era of multiple payment options. This would include direct payment with a debit card by the end of the decade.

At the time, there was growing consensus that home banking was around the corner. The belief was that one day, people would be able to do their banking in the comfort of their own homes. A few things were tested before the internet became widespread in the mid-1990s. Desjardins Group became the first Quebec-based financial institution to offer online banking when it launched AccèsD. This was a big step toward self-service: Members had more and more freedom to do their banking themselves.

This changed the role of credit unions with their members, who did less banking in person and instead relied more on their credit union for advice. In the late 1990s, in order to truly adapt to deregulation and new banking technology, credit unions undertook a major initiative known as “reengineering.” The most fundamental goal, explained Denis Vézina, Chair of the Board of Caisse d’économie des employés Molson O’Keefe, was to shift from a transactional role to an advisory one.⁵ Teller windows started giving way to offices where members could come for help. That’s how, in 1996, financial planning was first added to the services available at Caisse d’économie des employés de la S.T.C.U.M.⁶ A great deal of training was needed to help employees adapt to their new role. Additionally, it led to the redesigning of some credit unions’ facilities, as was the case with Gaz Métropolitain.⁷ Finally, as we’ll see later, reengineering entailed a rethinking of the credit union network, bringing about mergers.

4 Angus Credit Union, Annual Report, 1991.

5 Caisse d’économie des employés Molson O’Keefe, Annual Report, 1997, p. 4.

6 Caisse d’économie des employés de la S.T.C.U.M., Annual Report, 1996, p. 20.

7 Caisse d’économie des employées et employés de Gaz Métropolitain, Annual Report, 1999.





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IN-PERSON ACTIVITIES REVOLVED LESS
AND LESS AROUND MEMBERS' BANKING.

(CAISSE DESJARDINS DES
TRANSPORTS ARCHIVES)

SURPLUS EARNINGS: MEMBER DIVIDENDS AND CAPITALIZATION

“Not for profit, not for charity, but for service.”⁸ That’s how some credit unions have summed up their purpose over the years. A cooperative’s goal is to serve its members. Its profits—known as surpluses or surplus earnings—are reinvested in the organization to ensure its long-term survival, or they’re redistributed to members through a dividend that varies according to the services used.

In the late 1980s, amendments were made to further regulate the capitalization of credit unions. To reach the required threshold, most of the credit unions that would form Caisse Desjardins des Transports first needed to shore up their reserves with all their surplus earnings and, as a result, could not pay anything out to members. This happened at Caisse d’économie des employés Molson O’Keefe and Caisse d’économie Complex Taschereau Canat. Caisse d’économie des employés Labatt would set itself apart though, by paying member dividends in 1992.⁹ It was especially in the second half of the 1990s that member dividends became more common at Desjardins and started being heavily promoted to members.

Between 1998 and 2001, member dividends were paid for the first time in a long while at Caisse d’économie des employés de la S.T.C.U.M., Caisse d’économie des employées et employés de Gaz Métropolitain and the Angus Credit Union. They were generally between \$150,000 and \$200,000. The amount varied based on each credit union’s financial performance. Caisse d’économie des employés de la S.T.C.U.M. had a particularly good year in 2005, distributing \$325,000 in member dividends. A year later, Caisse d’économie des employées et employés de Gaz Métropolitain redistributed \$365,000, whereas a total of about \$1 million had been paid out in the previous five years. However, this all ground to a halt in 2008 when the financial crisis hit. During this time, greater caution was in order, with surplus earnings down and capitalization requirements once again raised. As Caisse d’économie des employés de la S.T.C.U.M. Chair Bernard Beauregard explained, “Surplus earnings were divided more conservatively between our reserve and member dividends” from that year on, “as part of an approach shared by all caisses and credit unions.”¹⁰ Member dividends would be smaller for a few years after that.

8 Caisse d’économie des employés Labatt, Annual Report, 1979.

9 Caisse d’économie des employés Labatt, Annual Report, 1991, pp. 3–4; Caisse d’économie des employés Labatt, Annual Report, 2001, p. 8.

10 Caisse d’économie des employés de la S.T.C.U.M., Annual Report, 2008, p. 3.



This generalized decline in member dividends prompted a review in 2017 and a new concept two years later. In addition to individual member dividends, which were still calculated based on the member's total savings and loans with the credit union, there was now a product dividend. Members who had at least one product in each category (accounts; loans, lines of credit and credit cards; savings and investments; insurance) received an additional fixed amount of \$50. Members ages 30 and under only needed to have products in three of the four categories to be eligible for the product dividend. As a result, 7 out of 10 members would receive member dividends, which was 840,000 people more than with the previous approach—up 30% for all members and 50% for those ages 30 and under.¹¹

A GENERATIONAL SHIFT IN MEMBERS AND ELECTED OFFICERS

During the 1990s and 2000s, most credit unions that would form Caisse Desjardins des Transports were confronted with the same trend: a stagnation or decrease in membership. There were several reasons for this, including the aging population, reaching of maximum penetration in certain groups of members and decrease in jobs in the industrial sector.

As mentioned in the previous chapter, there were fewer jobs in Montreal's industrial sector after several businesses closed in the late 1980s and early 1990s. The downward trend continued in the following years, largely because of advances in automation. Among the breweries, Caisse d'économie des employés Molson O'Keefe went from 3,750 members in 1992 to 3,300 members in 1999. One of the main reasons for this downturn was the "streamlining of operations at the brewery."¹² The same thing happened at Caisse d'économie des employés Labatt. During this period, membership fell from 1,400 to 1,300. This was still a win in an industry where the trend was to cut down on human labour and replace it with machines, as the credit union's general manager Madeleine Vigneault pointed out.¹³



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THE MOLSON FACTORY IN 1995.

(BANQ. ARMAND TROTTIER)

11 Desjardins Group, "A More Accessible, Consistent and Transparent Dividend," press release, April 1, 2019.

12 Caisse d'économie des employés Molson O'Keefe, Annual Report, 1994, p. 5.

13 Caisse d'économie des employés Labatt, Annual Report, 1997, p. 4.



What's more, groups had no one left to recruit. This happened at the Molson O'Keefe credit union in the 1990s. Further recruiting was unlikely among the brewery's workers and retirees.¹⁴ This had been the case at certain credit unions for two decades and had resulted in their adopting the multigroup approach. A new threshold seemed to have been reached, as a 1993 study at the Angus Credit Union revealed on the source of membership and the penetration rate. Findings showed that the larger groups were also the ones where the penetration rate was 100%: Canadian Pacific, Johnson & Johnson, the longshore workers and General Electric. Other categories of members still had potential but were limited, since they were smaller. The Angus Credit Union had the most significant drop-off, with membership tumbling from 6,600 to 4,300 between 1993 and 2001.

14 Caisse d'économie des employés Molson O'Keefe, Annual Report, 1994, p. 5.

Angus Credit Union membership by group in 1993

Membership group	Number of members	Percentage of members	Penetration rate
Canadien Pacific	3,000	46%	100%
Port of Montreal	850	13%	100%
General Electric Camco	700	10.5%	100%
Trucking industry	500	7.5%	15%
Johnson & Johnson	350	5%	100%
Other (11 groups)	1,200	18%	53%
Total	6,600	100%	—

Source: Desjardins Group Archives. Angus Credit Union incorporation file, transit 92003. Memo from Serge Bujold to Claude Paul-Hus, May 18, 1993. The penetration rate shown for the “Other” category is an average.

Along with the decrease in jobs and maximum penetration, there was another major factor to consider: the aging population. In the second half of the 2000s, this topic became a growing concern in Quebec. The outsized baby boomer generation had created an imbalance in the age pyramid. Given the smaller workforce and older population, there was already talk of an impending labour shortage and the role immigration could play in countering this situation.¹⁵

In many credit unions, retirees formed a sizeable chunk of the membership. This was the case at the Desjardins Rail Credit Union, for instance. In 2014, 72% of members received pension deposits, which means they were no longer part of the labour market.¹⁶ The same goes for Caisse d'économie des employés de la S.T.C.U.M. At the end of 1999, the average age among members was 49, and many were getting ready to retire.¹⁷ Remember that many of the transit company's employees had been hired for Expo 67 and the 1976 Olympics. Between 2000 and 2003, the number of members fell abruptly from 7,400 to 6,600.

Credit union boards of directors were aware of the generational shift. Caisse d'économie des employés de la S.T.C.U.M. Chair Bernard Beauregard observed that the vast number of retirements was "an opportunity to recruit new clients."¹⁸ The Société de transport de Montréal (STM)¹⁹ needed new employees to fill vacant positions. Once these employees were hired, the credit union needed to recruit them and boost its penetration rate within this group. Among other things, it tried to take advantage of the presence of Desjardins Group's downtown service centre, Carrefour Desjardins, to meet the needs of employees working out of the STM's head office at Place Bonaventure.²⁰ In 2009, it signed an agreement with the Réseau de transport de Longueuil. This was significant, since it was the credit union's first foray outside the STM and off the Island of Montreal. A personal finance advisor was on hand at the transportation centres to meet employees' needs.²¹ The credit union's efforts quickly paid off, with membership rising to more than 8,500 in 2012.

15 Drouin, Gilles. "Vieillesse de la population. Un défi pour la gestion des ressources humaines." *Revue Desjardins*, Vol. 77, No. 3, 2011, p. 21.

16 Desjardins Rail Credit Union, minutes of the board of directors' meeting, February 13, 2014.

17 Caisse d'économie des employés de la S.T.C.U.M., minutes of the board of directors' meeting, December 22, 1999.

18 Caisse d'économie des employés de la S.T.C.U.M., Annual Report, 2006, p. 3.

19 The Société de transport de la Communauté urbaine de Montréal renamed itself Société de transport de Montréal in 2002 after the municipal merger.

20 Caisse d'économie des employés de la S.T.C.U.M., minutes of the board of directors' meeting, June 26, 2007.

21 Caisse d'économie des employés de la S.T.C.U.M., Annual Report, 2009, p. 3.

While credit union members were aging, so were its elected officers. An increasing number of them were retired. This trend was particularly prevalent at the CN Employees Credit Union. In 1990, retirees accounted for five out of nine members on the board of directors, two out of three members on the board of supervision and two out of five members on the credit committee. For most of the other credit unions, this high concentration of retirees came about 10 years later. In 2001, retirees accounted for four out of ten members on Caisse d'économie des employés de la S.T.C.U.M.'s board of directors and three out of five members on the St. Luc Yard Credit Union's board of directors.

Changes were made to credit unions' decision-making bodies during this period, resulting in a decrease in the number of elected officers. When delegates from Desjardins caisses populaires and credit unions met in 1996, they voted to abolish the credit committee: Moving forward, loan applications would be handled end-to-end by employees. Two decades later, at the 2017 Congress of Elected Officers, delegates voted to do away with the board of supervision too. Ethics, cooperative matters and professional conduct would be overseen by a board of directors committee. With this change, Desjardins moved from using the term "officer" to "director." Mergers also contributed to the decreased in the number of elected positions.

ADMINISTRATIVE STRUCTURES IN THE 2000S

January 1, 2002, is unquestionably an important date in the history of Montreal: A new city was created, amalgamating all the former municipalities on the island. The goal was better coordination and, possibly, substantial economies of scale. In previous years, Mayor Pierre Bourque had promoted the merger, using the slogan "one island, one city." The idea was reminiscent of the creation of a megacity in Toronto in 1998. Many Quebec municipalities had similar mergers around the same time, including Quebec City, Laval, Gatineau and Longueuil. Many criticized the mergers, and some previous municipalities were reformed following a referendum. Nonetheless, this period was marked by a major reconfiguration of the area's administrative structure. The preference was now to have fewer but larger entities rather than many smaller ones.

Municipalities were not alone in going this route: Desjardins Group followed the trend too. In the 1990s, restructuring was a major focus, fuelled by a desire to reduce operating expenses and put Desjardins on a stronger footing. At the end of the decade, a proposal was made to merge the 10 regional federations, the Fédération des caisses d'économie and the Confédération to form a single federation to which all the caisses and credit unions would be directly affiliated. The structure would be compressed from three to two levels.

Remember that the credit unions and their federation had only been with Desjardins Group for about 20 years, since the end of the 1970s. During that time, coexisting with the neighbouring caisses populaires had not always been easy. Some at Desjardins Group questioned the need for a network of credit unions organized by group rather than by territory.²² Especially since they made up a relatively small part of the picture. In 1999, there were 103 credit unions out of the 1,140 affiliated financial cooperatives. Combined with their federation, they had \$2.5 billion in assets out of a total of nearly \$70 billion for all Desjardins's federations.²³ Many of the credit unions worried that this major transformation would mean they'd lose their singularity within Desjardins Group.

When asked to decide on the proposal for a single federation during a historic vote held on December 4, 1999, 88% of caisse populaire delegates were in favour, while 95% of credit union delegates were opposed. The result clearly showed their devotion to their identity. Credit union delegates voted again in the summer of 2000. This time, 59% supported the merger, but that was still not enough since a two-thirds vote, or 66%, was required to pass. In light of this, the Fédération des caisses d'économie Desjardins decided to consider another option: independence.

22 Poulin, Pierre and Tremblay, Benoît. *Desjardins en mouvement. Comment une grande coopérative de services financiers se restructure pour mieux servir ses membres*. Éditions Dorimène / Presses HEC, 2005, p. 134.

23 Inspecteur général des institutions financières. *Rapport annuel sur les caisses d'épargne et de crédit 1999*, pp. 1-3 and pp. 2-3.



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Over the next few weeks, the Federation and some affiliated credit unions mulled over ways they could leave Desjardins. A committee of general managers was created to find a computer system to meet the credit unions' needs if they broke away.²⁴ The general manager of Caisse d'économie des employés de la S.T.C.U.M., Gérald Lepage, was one of them. It was a difficult time. Tensions were high, because many other credit unions were not on board with this idea and were instead advocating an agreement with Desjardins. These included Caisse d'économie Alpha, Caisse d'économie des employés de Molson and Caisse d'économie des employés et employés de Gaz Métropolitain.²⁵

24 Caisse d'économie des employés de la S.T.C.U.M., minutes of the board of directors' meeting, September 27, 2000.

25 Caisse d'économie Alpha, minutes of the board of directors' meeting, September 20, 2000; Caisse d'économie des employés et employés de Gaz Métropolitain, Annual Report, 2000; Labrèche, Stéphane. "Desjardins avait assuré ses arrières." *Les Affaires*, July 15, 2000, p. 5.



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PARTICIPANTS AT THE 17TH CONGRESS OF ELECTED OFFICERS DISCUSS CHANGES TO DESJARDINS GROUP'S STRUCTURE.

(DESJARDINS GROUP ARCHIVES)

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BERNARD BEAUREGARD, JEAN-MARC MCDUGALL AND GÉRALD LEPAGE FROM CAISSE D'ÉCONOMIE DES EMPLOYÉS DE LA S.T.C.U.M. AT THE 50TH ANNIVERSARY CELEBRATIONS.

(CAISSE DESJARDINS DES TRANSPORTS ARCHIVES)

Given the impossible task of offering its affiliated credit unions a viable exit strategy from Desjardins, particularly from an IT standpoint, the Fédération des caisses d'économie recommended agreeing to the new structure in the fall. It therefore joined forces with the regional federations and the Confédération to become the Fédération des caisses Desjardins du Québec on July 1, 2001.

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THE MOVE TOWARD “SECTOR CREDIT UNIONS”

Under the new Desjardins Group structure, the former regional federations and the Fédération des caisses d'économie were replaced by regional divisions and a division for group caisses, as credit unions were known in Quebec. Some people were surprised when a member of the general managers' committee in favour of independence was appointed to lead this division: Serge Dufresne, from Caisse d'économie des pompiers de Montréal. Clearly, his vision of group caisses had struck a chord. He felt that they had much to offer Desjardins Group. First, they still had a lot of growth potential, even more so than most territory caisses that had reached maturity. What's more, the credit unions were firmly rooted in Montreal and the English-speaking community, which Desjardins Group was very interested in. However, to do so, Dufresne thought it was necessary to merge into larger entities that could hire specialized employees. These mergers were designed to create credit unions that would represent a “sector.” He was one of the proponents for creating a single credit union for all workers in the industrial sector rather than having several small credit unions, for example.²⁶

Over on the railway side, the “sector credit union” was created in two stages. In 1997, the Windsor Credit Union merged with the Rail Credit Union. Members of the new institution were from two major railway networks, CP and CN. A decade later, the Rail Credit Union merged with the CN Employees Desjardins Credit Union to form the Desjardins Rail Credit Union. This made it a true “sector credit union,” because it combined all the former railway credit unions, with the exception of Caisse Desjardins des Travailleurs de la cour Saint-Luc, which would continue until 2017.



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THE HEAD OFFICE OF
CAISSE D'ÉCONOMIE
DESJARDINS DES
EMPLOYÉ(E)S DU
SECTEUR INDUSTRIEL
(MONTRÉAL) BEFORE
THE EXTERIOR WAS
RENOVATED IN 2011.

(CAISSE DESJARDINS DES
TRANSPORTS ARCHIVES)

26 Dufresne, Serge. Interview by Pierre Poulin. Alphonse Desjardins Historical Society, December 13, 2001.



It took longer on the industrial sector side, where there were more credit unions. Two mergers laid the groundwork in 1998 and 1999, when credit unions with lower assets joined a larger credit union. With assets of \$882,000, Pharma Credit Union was one of the smallest Desjardins Group credit unions. It joined Caisse d'économie Alpha, which had \$10.5 million in assets. Then, Caisse d'économie Cartier merged with Caisse d'économie des employés de Molson. The first had assets of \$5.6 million while the second had assets of \$36 million. In 2002, Caisse d'économie Desjardins des employés du secteur industriel (Montréal) was formed when the Alpha, Molson and Angus credit unions merged. Just two years later, the new credit union welcomed the Caisse d'économie des employés Labatt.

When the Angus Credit Union opened up to more groups in the early 1970s, it didn't make room for the newcomers on its board of directors. Its officers were strictly CP workers. Over the years things started to change. In the early 2000s, though, the mergers of credit unions with strong identities and major assets raised the question of representation on the board. Workers from former credit unions such as Molson and Alpha needed to feel represented. This topic was mainly debated during the early years of Caisse d'économie Desjardins des employés du secteur industriel (Montréal). After discussing the board's composition based on groups, a simple solution was agreed upon in early 2006: Each group would have at least one representative on the board of directors and a maximum of 30% of the seats.²⁷

It was a good compromise that allowed them to benefit from the extensive and valuable experience of directors from former credit unions. Some had previously served as chair, including Denis Vézina from Caisse d'économie des employés de Molson, Édouard Viau from Caisse d'économie des employés Labatt and François Charron from Caisse d'économie Cartier. Lloyd Megin and Bernard Beauregard, the former chairs of the Rail Credit Union and Caisse d'économie des employés de la STM, would join later.

In the years that followed, some credit unions considered merging but ultimately didn't. Caisse d'économie des employés de la S.T.C.U.M. initially had talks with railway credit unions in 2001 and then again 15 years later.²⁸ In the meantime, it contemplated merging with Caisse d'économie des employés de Gaz Métropolitain which, for its part, met with various potential partners.²⁹ It came close to joining Caisse d'économie Desjardins des employé(e)s du secteur industriel in 2007, but that wouldn't happen for another 5 years.

Two major sector credit unions were formed: Caisse Desjardins du secteur industriel de Montréal and Desjardins Rail Credit Union. In 2015, Caisse Desjardins du secteur industriel de Montréal had assets of \$365 million and Desjardins Rail Credit Union had assets of \$85 million. They started making plans to merge and did so the following year. Caisse Desjardins des Travailleurs de la cour Saint-Luc joined Caisse Desjardins du secteur industriel de Montréal in 2017.

As for Caisse d'économie Desjardins des employés de la STM, potential mergers were discussed but they never materialized. It has been said that to govern means to foresee. Although the credit union was profitable and posted strong returns, it seemed that its future, and that of Caisse Desjardins du secteur industriel de Montréal, would require another transformation. And this would be a big one.



27 Caisse d'économie Desjardins des employé(e)s du secteur industriel (Montréal), minutes of the board of directors' meeting, January 31, 2006.

28 Caisse d'économie des employés de la S.T.C.U.M., minutes of the board of directors' meeting, June 19, 2001; Desjardins Rail Credit Union, minutes of the board of directors' meeting, April 23, 2014.

29 Caisse d'économie Desjardins des employé(e)s du secteur industriel, minutes of the board of directors' meeting, January 17, 2006.

Name changes and mergers (1997–2017)

	Year	Former name or merged credit unions	New name
	1997	Windsor Credit Union Rail Credit Union	Rail Credit Union
	1998	Pharma Credit Union Caisse d'économie Alpha	Caisse d'économie Alpha
	1998	Caisse d'économie des employés Molson O'Keefe	Caisse d'économie des employés de Molson
	1999	Caisse d'économie des employés de Molson Caisse d'économie Cartier	Caisse d'économie Desjardins des employés de Molson
	2001	Complex Taschereau Canat Credit Union	CN Employees Desjardins Credit Union
	2002	Angus Credit Union Caisse d'économie Alpha Caisse d'économie des employés de Molson	Caisse d'économie Desjardins des employés du secteur industriel (Montréal)
	2004	Caisse d'économie Desjardins des employés du secteur industriel (Montréal) Caisse d'économie des employés Labatt	Caisse d'économie Desjardins des employés du secteur industriel (Montréal)
	2008	Rail Credit Union CN Employees Desjardins Credit Union	Desjardins Rail Credit Union
	2012	St. Luc Yard Credit Union	Caisse Desjardins des Travailleurs de la cour Saint-Luc
	2013	Caisse d'économie Desjardins des employé(e)s du secteur industriel (Montréal) Caisse d'économie des employées et employés de Gaz Métropolitain	Caisse Desjardins du secteur industriel de Montréal
	2014	Caisse d'économie des employés de la ST.C.U.M.	Caisse d'économie Desjardins des employés de la STM
	2016	Caisse Desjardins du secteur industriel de Montréal Desjardins Rail Credit Union	Caisse Desjardins du secteur industriel de Montréal
	2017	Caisse Desjardins du secteur industriel de Montréal Caisse d'économie Desjardins des Travailleurs de la cour Saint-Luc	Caisse Desjardins du secteur industriel de Montréal

 Merger  Name changes

The birth of Caisse Desjardins des Transports (2018-2023)

“It’s not a merger—it’s a new caisse,”¹ said Pierre Plante, former director of Caisse d’économie Desjardins des employés de la STM, when talking about his caisse² joining forces with Caisse du secteur industriel in 2019. On the surface, this statement is surprising, since it really was a merger of the two caisses. But when we look at the facts more closely, his statement rings true in many ways.

CHAPTER 6

- 1 Beauregard, Bernard and Plante, Pierre. Interview by Pierre-Olivier Maheux. May 17, 2023.
- 2 By now, Desjardins had adopted the term « caisse » in English for both its sector-based and territory-based cooperatives in Quebec.



A NEW CAISSE?

In the early months of 2017, Caisse d'économie Desjardins des employés de la STM had been approached about merging with Caisse Desjardins du secteur industriel. At the time, the former had nearly 8,000 members and over \$250 million in assets. The latter had 12,500 members and assets of nearly \$500 million. Initially, the board of directors of Caisse d'économie Desjardins des employés de la STM was lukewarm to the idea.

A year earlier, Marc Blair had been named general manager, succeeding Gérald Lepage, who'd retired. Blair had been with the caisse since 2002 and had worked his way up the ladder. Shortly after his appointment, he'd asked the directors to think about the caisse's future. Larger entities continued to be favoured. As a result, the decision was made to aim for a broader market and adopt a new name: Caisse Desjardins des Transports.³ The proposal from Caisse Desjardins du secteur industriel came at about the same time. Despite the initial reaction, talks continued. It was clearly an opportunity. In fall 2017, a few months after the original proposal, the two caisses set up a committee of directors to hash out a potential merger. Difficult decisions were made in the ensuing months to make it a reality.

Caisse Desjardins des Transports was officially founded on January 1, 2019. With its new name, purpose and territory, it did seem like a whole new caisse. By focusing exclusively on the transportation of people and goods, the merged caisse set itself a simple, clear mission with expanded potential. It targeted all public transit workers in Quebec, which meant 15,000 people in Greater Montreal alone, 100,000 workers province-wide in transportation and logistics, and 3,000 small, medium and large businesses in the industry.⁴



3 Caisse d'économie Desjardins des employés de la STM, minutes of the board of directors' meeting, January 31, 2018.

4 Caisse d'économie Desjardins des employés de la STM, minutes of the board of directors' meeting, January 31, 2018. Appendix, Réflexion préliminaire à la recevabilité d'un groupe de regroupement Caisse du secteur industriel de Montréal et Caisse des employés de la STM.



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THE STM SERVICE CENTRE
OF CAISSE DESJARDINS
DES TRANSPORTS WAS
RENOVATED TO PROUDLY
REPRESENT ITS MEMBERS.

(CAISSE DESJARDINS DES
TRANSPORTS ARCHIVES)

Naturally, members of Caisse d'économie Desjardins des employés de la STM fell under this umbrella. The same went for many groups within Caisse Desjardins du secteur industriel. As shown in the previous chapters, many of these groups were associated with transportation, notably the railway sector and the longshore workers. Moreover, changes to jobs in certain industries, such as brewing, brought the groups closer together. Beer production, for instance, had been mostly automated in prior decades, but the breweries had kept their distribution networks. Transportation was therefore a key part of their activities, as was the case with Gaz Métro, which became Énergir in 2017.⁵ These changes made Caisse Desjardins du secteur industriel a natural fit to join Caisse Desjardins des Transports.

Both caisses had deep roots in Montreal. Their histories prove it beyond all doubt: They were connected to many of the city's emblematic companies and institutions. By merging, they sought to extend their reach across the whole province. The size of the new entity would enable it to hire the workforce needed to tap into a market this big. However, all thoughts of growth would be marred by an unexpected event.

PLANS DISRUPTED BY A PANDEMIC

While it might be too soon to truly assess the COVID-19 pandemic from a historical standpoint, we can certainly say that it was a historic event. It was in mid-March 2020, as the caisse was gearing up for its annual general meeting, that everything shut down, and the lockdown began. At first, it was supposed to last two weeks.

Like other businesses, Caisse Desjardins des Transports scaled back its activities to essential services—in other words, only those that couldn't be done at an ATM, online or by phone. In a matter of days, telework became the new reality for the vast majority of office workers, caisse employees included. Not all economic sectors were impacted by the restrictions in the same way. Restaurants, cultural activities and tourism, for example, came screeching to a near-halt, with no idea of when they would resume. People in essential services, like transportation, had to soldier on in spite of everything. But for delivery, a world of opportunity seemed to open up.

Indeed, the pandemic saw the public turn en masse toward online services, bringing certain existing practices to the fore. It came as no surprise when traffic at Desjardins service centres fell drastically, and at ATMs too. That being said, the two former caisses had already turned the page on ATMs, though. In 2012, Caisse d'économie Desjardins des employé(e)s du secteur industriel (Montréal) had removed its ATM from its head office. The machine, which was at the end of its life, had seen a significant decline in its use. A new ATM would have

5 Blair, Marc. Interview by Pierre-Olivier Maheux. August 24, 2023.

incurred losses in its very first year.⁶ The same circumstances prompted Caisse d'économie Desjardins des employés de la STM to take out the ATM at its own head office six years later.⁷ In fact, Desjardins Group's members had been doing more of their personal banking online than at ATMs since 2005. The trend was therefore nothing new and it justified focusing more and more on online services.

The pandemic created a climate that wasn't great for the new caisse's business development plan. In spite of social distancing and online work, there were still new avenues to explore, like with Labatt in Gatineau. Caisse Desjardins des Transports managed to emerge from this troubled time with enviable results. On December 31, 2022, it boasted 21,000 personal and business members and an impressive \$936 million in assets. Still, it appeared that the economy was at the end of a cycle. Economic conditions worsened in the months that followed, largely due to inflation. Nonetheless, Caisse Desjardins des Transports showed a sturdiness that allowed it to weather the storm.

6 Caisse d'économie Desjardins des employé(e)s du secteur industriel (Montréal), minutes of the board of directors' meeting, May 24, 2012.

7 Caisse d'économie Desjardins des employés de la STM, minutes of the board of directors' meeting, September 28, 2018.

Conclusion

When visiting Caisse Desjardins des Transports, it's hard to ignore the location's history. In front of the building, there's a sculpture in honour of Denis Vézina, the former chair of Caisse d'économie Desjardins des employés Molson and Caisse Desjardins du secteur industriel de Montréal. Murals on the outside walls illustrate the history of the various groups the caisse serves. Inside, paintings complete the portrait. Built at the outset for the Fédération des caisses d'économie, the building then housed the Angus Credit Union when it left the famous shops in the early 1970s. The site is clearly steeped in history. The same can be said of the caisse's service centre on St. Laurent Boulevard. Named after Bernard Beauregard, the former chair of Caisse d'économie Desjardins des employés de la STM, the building was fully renovated in recent years to proudly represent its members from the Société de transport de Montréal. The room names, photos and even a nearly life-sized mural of a metro car are reminders of the bond that unites its members.

This duty to honour the past is not unfounded. The story of Caisse Desjardins des Transports is tied to many crucial elements of Montreal's history. It's linked to two major railway networks, CP and CN, which helped shape the city with their railways and iconic buildings. Its origins are so ingrained in the history of public transportation that they predate the metro, going all the way back to the tramway era. It's a story that brings us to the edge of the St. Lawrence River, with the longshore workers and the historic Molson building. It features many of the businesses that marked Montreal's landscape over the last 80 years. A world seems to separate the 22 original credit unions from the current financial cooperative, whose future will be written Quebec-wide. But whether we're talking about steam locomotives or electric cars, mobility has always been and will always be a vital part of our society.

Transportation will
remain a roadway
to the future.



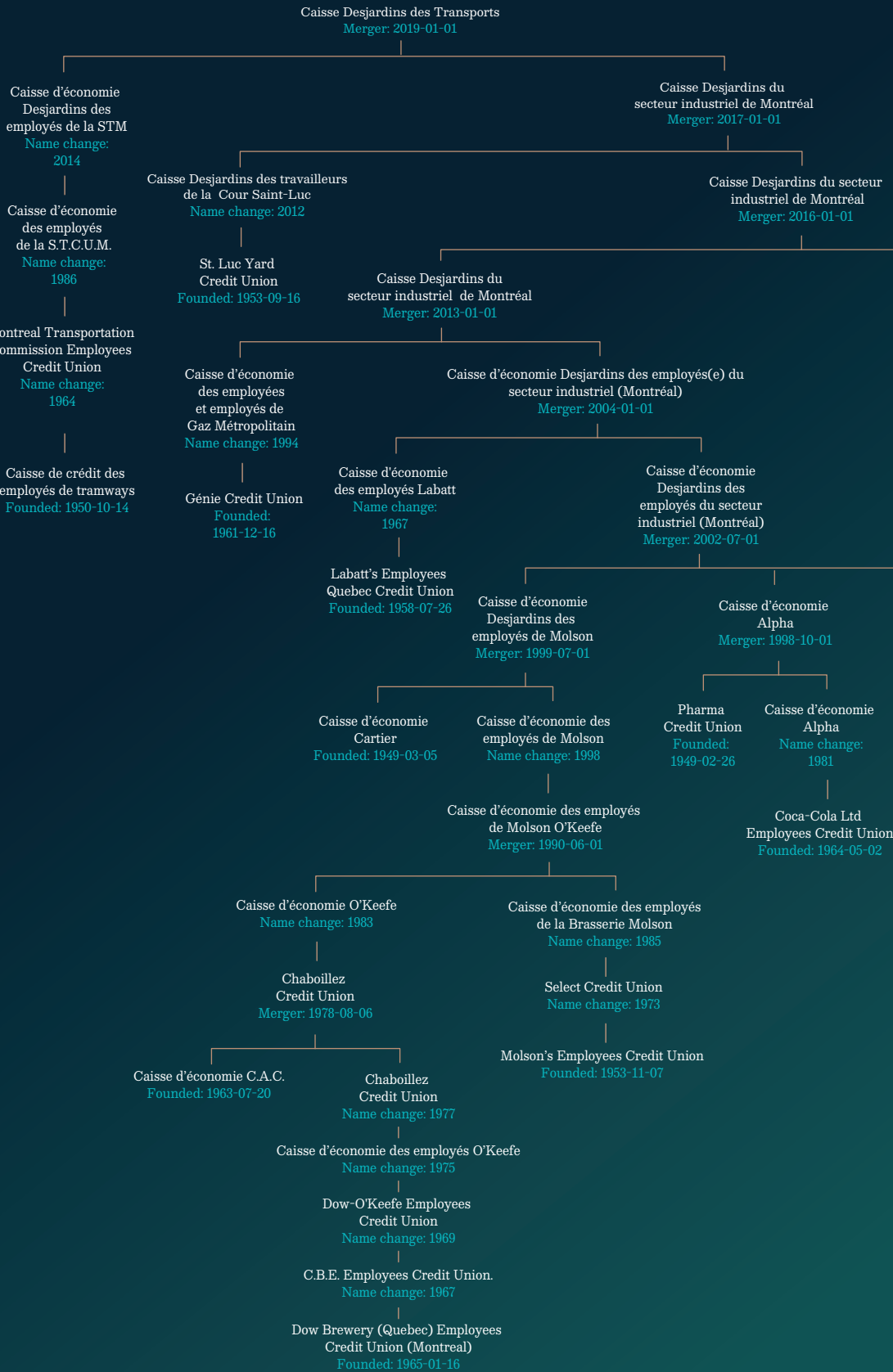
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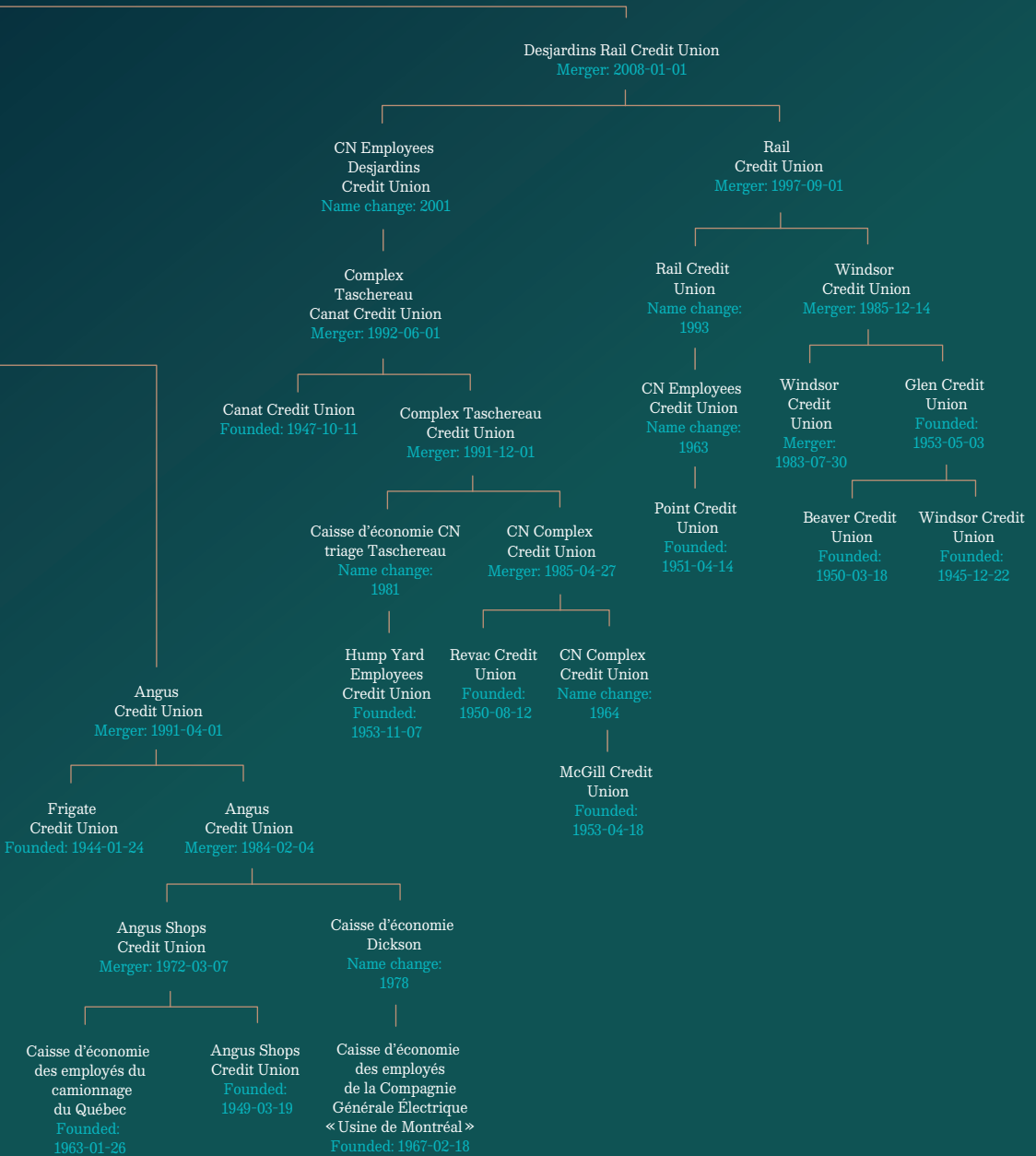
SPHINX

collèges privés et travailleurs du secteur industriel
réalisés symboliquement l'Ontario de leur appartenance commune

1982-1983
à l'initiative de la Société d'administration
de l'Ontario (S.A.O.)

réalisé par les artistes
de l'Ontario





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The histories of Caisse Desjardins des Transports and the city of Montreal are closely linked. The caisse's roots run deep with the city's flagship companies and institutions. Retracing its origins takes us across the Island of Montreal from east to west and north to south, from the late 19th century to today, on a journey marked by eminent historical figures as well as thousands of labourers and workers.

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