

Credit Union

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Within the past few years the Credit Union has gained a strong position on Prince Edward Island. Today almost every community boasts a thriving Credit Union. The oldest and most important branch on the Island is the Holy Redeemer Credit Union, which at present has over \$20,000 in funds.

The essential factor in a Credit Union is stability. Once it is properly started it inevitably thrives. In order to attain stability the establishment of every branch is preceded by a thorough study of the principles of the Credit Union. By this intensive study everybody who is interested can know exactly what a Credit Union is, and what will be expected of him as a member of his local branch.

After this study period comes organization. As a first step towards organization those who have studied the Credit Union and have paid a small membership fee of twenty-five cents elect from their number a Nominating Committee. It is the duty of those nominated to elect men to fill the other functional committees: Supervisory Committee, Loan Committee, and Credit Committee. When these elections are made known to the whole body of members they are again voted on. The greatest authority goes to the Supervisory Committee, whose scope covers the entire business of the branch. On the Loan Committee falls the duty of judging applications for loans, and to the Credit Committee is entrusted the work of investing security. It is well worth noting here that the Loan Committee has not power to grant loans to any member of the three committees. An application for a loan made by any one of these men must be voted on and passed by all three committees before its demands can be granted. This removes all preference which committee men might otherwise receive.

As soon as the various offices are filled the Credit Union is ready for business. It receives the deposits made on shares by its members, and after a short time it is usual to loan small sums of money for a short period. As the Credit Union becomes more widely known its membership and, consequently, its capital and number of loans increase, and thus it is made correspondingly bigger and better.

Credit Union loans, which are usually small, do not bear so high a rate of interest as do those from the bank, and any profit which is derived from loans is divided among the shareholders in the form of dividends. Often, too, a part of the interest is rebated to the borrower. Thus the cost of borrowing money from a Credit Union is, in the long run, very low. This induces people to save and place a part of their earnings in the Credit Union, from which they can borrow in case of necessity. Thus are the members of the Credit Union insured against fire, sickness, unemployment, or any other mishap which would call for extra capital.

On the farm the income is realized only once or twice a year, and if the money is not handled very carefully there will be serious financial difficulties between pay seasons. The Credit Union is obviously the organization to insure against such difficulties. In cities the advantages are no less remarkable than in the country. A man who is paid weekly or monthly can set aside a part of his earnings more frequently than the farmer. Thus he gains the same protection.

We can now understand that the Credit Union is an organization which induces men to save, insures them against disasters of any kind, and brings them together in socially united groups. As such, we are sure that its growth on Prince Edward Island will be consistent, and that it will meet with lasting success.



Most people would succeed in small things if they were not troubled with great ambitions. — *Longfellow.*

Things are seldom what they seem
Skim milk masquerades as cream.

—*W. S. Gilbert.*

Applause is the spur of noble minds,
The end and aim of weak ones.

—*C. Cotton.*