

(In our last issue Mr. MacDonald discussed the need for Adult Education in this province. In this article he reviews the progress already made by the co-operative movement. Watch the next issue for "The Co-operative Boat Trip.") Ed. note.

Credit Unions

J. A. MacDonald, '38

Almost a century ago in a little German town called Flammersfeld economic distress was so acute that Raiffeisen, the conscientious and intelligent mayor of that town, was looking around desperately for some solution of his problems. He found the answer in a system of co-operative credit societies based on a few simple—old-fashioned, some would say—principles. A contemporary, Schulze-Delitzsch, evolved a system based also on the same belief, that the ordinary man when given a chance can educate himself to use his money and credit efficiently and economically. It is significant to note that about this time another new experiment was being tried out by a few destitute weavers at Rochdale, England, which was to broaden and supplement the purposes of co-operative credit. Both these movements have expanded and spread without regression to many nations of the world. "There is something beautifully durable about the co-operative principle."

The co-operative credit society was improved by Luzzatti of Italy, where the movement soon gained a strong footing. Before the beginning of the twentieth century it had spread quickly in Germany, Japan, Holland, Switzerland, Belgium and other countries. Alphonse Desjardines, a Montreal journalist, first brought the credit union to America. Success rewarded his humble attempt at Levis in 1900 and a decade later he co-operated with Edward A. Filene, Boston merchant, in bringing the credit union to the people of the United States. At present there are credit unions in forty-three states and the number is increasing daily under the promotion of the Credit Union National Extension Bureau.

In Canada, several provinces have Credit Union Acts but the most notable work has been done in Quebec and in Nova Scotia. The latter province has achieved results from its credit unions and co-operative societies which have drawn the attention of the whole continent. The

province of New Brunswick has mapped out an extensive programme of education in co-operation for the coming year. P. E. I. is definitely "on the way." Four credit unions have been established, of which more will be said in following paragraphs, and active study clubs all over the Island are discussing many phases of co-operative education.

Why do we need credit unions? The experiences of the past few years have shown very clearly that under a system dominantly capitalistic, the rank and file of our people require intelligent direction of their monetary affairs if they are to be assured stability in the economic sphere. Without the systematic saving of his surplus earnings and ready access to credit at a rate which does not make its use impracticable, the average man finds himself unable to cope with situations arising as a result of economic maladjustment.

It is primarily to remedy this defect in our economic system that the credit union has been developed. Assured of reasonable credit to meet immediate needs, our average man finds it possible to discharge his obligations as they arise, without having to throw himself upon the mercy of money lending organizations whose sole objective is financial gain. Encouraged to practise thrift by systematic saving, he is taking an important step in offsetting the fluctuations which seem characteristic of even a well regulated economic system. Moreover, the judicious control of his earnings—moderate though they may be—will greatly increase his purchasing power, an important consideration, for without purchasing power by the masses, not only are standards of living lowered, leaving these people unhappy and dissatisfied, but no form of permanent prosperity can exist.

Many remedial measures have been tried but the one which is achieving the best results is the credit union. It answers the problem of consumer credit simply and naturally by bringing to the common people an organization formed and managed by themselves in their own community. A member feels that he is obliged to honor this institution which is his own and his neighbours', and responds by living up to the traditions of his credit union, traditions based on mutual aid and service, and not on profits. The member strives to make "money the servant of man rather than man the servant of money." Besides proving that common people are quite capable of running their own

finances the credit union has demonstrated most convincingly that the average man is honest, for the number of defaulters in credit union borrowing has been almost negligible. The principle of making loans more on the basis of character than of security has been most successful. Do not infer from this that the credit committee of the union is a very conservative body which makes these short-term loans only where payment is absolutely guaranteed. On the contrary, this policy would defeat the main purpose of the credit union, which is to make credit more available to those who need it.

In Charlottetown, the Liguorian Credit Union of the Holy Redeemer Parish has made almost unbelievable progress according to figures received from their enterprising secretary, Mr. E. J. H. Morrissey. A few contrasts would show its rapid development since the opening night. It opened on June 18th, with a membership of 18 and received \$7.50 in savings; on the last Monday night in November the number enrolled was 108, and on that night \$150 was taken in. The total amount saved up to the present is \$984.70 in shares and \$86.50 in deposits. There have been 35 loans made, 23 in November, in amounts totaling \$1,050. Last month the union had a business turnover of \$1,400. The Parish Hall is also the centre of other co-operative activities. When the union is open there on Monday evenings a Co-operative Buying Club is in operation which, through group buying, has saved \$165 for its members since September. This affords an opportunity for those interested to meet and discuss co-operative principles, thus increasing the efficacy of the credit union.

Of the other three credit unions little definite information could be obtained at the time of writing as they are some distance from us. At St. Andrew's Parish the union has savings of from \$700—800, in addition to this other enterprises have been successfully engaged in by this group—notably a Co-operative Canning Factory. The credit union at Georgetown has savings of approximately \$200, and that at St. Peter's, about \$100.

Besides these there are many potential credit unions. Tracadie, Little Pond, St. Charles, East Point, St. Margaret's, Bloomfield and other districts are almost ready to establish unions. The work of educating and organizing is being promoted by the Adult Education League of P.

E. I. Dr. Croteau, secretary of the League, has been the driving force of the organization campaign. In addition to his teaching activities he spends a large portion of his time lecturing on different phases of Adult Education all over the Island. It is a tribute to his organizing and lecturing ability and to the whole movement here that his services are more and more in demand.

Co-operation, particularly in the credit field, is being achieved in Prince Edward Island. The sacrifice necessary for success in this endeavor is manifesting the true Christian spirit and high social ideals of our people. Day by day more people are recognizing the tremendous utility of the credit union and are becoming enthusiastic supporters of it. Let us hope that this trend will continue and increase so that we may ultimately obtain an improvement which will lead to a more stable economic life. "There will be tough times at first, calling for faith and for work—that indomitable combination which accounts for every successful credit union."



The Choice

By "Briareos"

Sergeant Sandstone sat down with a groan, and rested his head wearily on his hand. For the past two hours he had been pacing his cell, trying to form some plan, trying to come to a decision—for the offer the French Commander had made him was not a very attractive one.

"A fine choice," he muttered to himself. He looked into the courtyard below where French soldiers were moving to and fro. From there his gaze travelled over the walls of the fort to the blue summer sky, bordered on one side by deep green forests, and on the other blending into the calm waters of Lake Champlain.

The peace and beauty of nature touched him, and soldier though he was, he sighed.

The afternoon before, he and Adams, a private, had been captured near the fort by a band of French scouts. They had been sent out from Fort Corillon by General Amherst to reconnoitre the position and strength of the French force under Bourlamaque, who had retired to Crown Point.