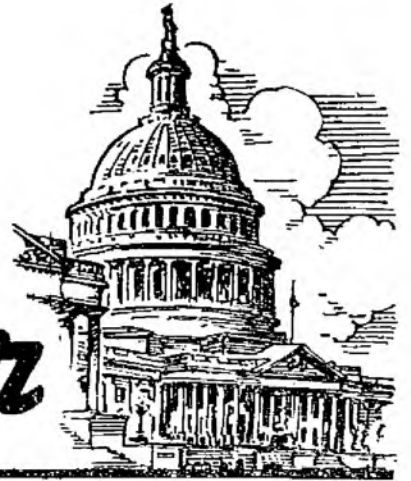


**CREDIT UNION**

# Counselor



Vol. 3, No. 1

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May 1946

## Plan For Managing Director Approved

### HUBERT M. RHODES TO CONDUCT FIELD SERVICE AND EDUCATIONAL AID

What the Board of Directors has been hoping to offer its members and laying plans to obtain, is to be realized sooner than seemed possible in earlier months.

For a long period this Board has believed that a permanent office where League activities should center under the guidance of an experienced credit union leader, was essential to bring our movement in Washington into a flourishing condition. The League staff at present is composed of elected representatives and volunteer committees—all occupied at full-time positions and in their own credit unions

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### OUTSTANDING ANNUAL MEETING BOOSTS LEAGUE EXPANSION PROGRAM

Enthusiastic delegates representing a majority of D. C. credit unions crowded into the Gold Room of the Hamilton Hotel March 16th for the opening luncheon meeting of the annual conference of the D. C. Credit Union League.

The Hon. Jerry Voorhis, California Congressman, who stayed up all night to fly to Washington in a cargo plane to be present, was the key speaker of the luncheon.

"The cooperative movement is the most progressive force in the world today," Congressman Voorhis said. "Credit unions, a vital part of the cooperative movement, solve economic problems in such a way as to develop the best of character and citizenship.

"If there were five times the number of members now in credit unions," he added, "they would control the savings of the nation and almost any economic decision that might be made."

An inspirational talk by Rev. Seth R. Brooks of the Universalist National Memorial Church continued the theme of the importance of credit unions and other cooperative activity in this "time of despair, but time of glorious hope."

#### Business Meeting

Problems common to many credit unions were thoroughly threshed out during the lively discussion which occupied the first half of the afternoon business session.

A proposal to join CUNA in developing a stronger central office for the D. C. League, thereby expanding service to member unions, was brought to the floor and won quick endorsement.

Elbert V. Olney was re-elected President in the friendly but keenly contested election which wound up the business meeting. David H. Scull, chairman of the annual meeting committee, was elected Vice-president. Other officers elected were: Sec-

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## SPECIAL MEETING

Called by League Board of Directors

Every Credit Union Requested to Send Its Board Members and Delegates

**TUESDAY, MAY 28th at 6:30 P. M.**

At Barker Hall, Y.W.C.A., 17th and K N. W.

To Formulate Plans for

**MANAGING DIRECTOR**

**and Broadening of League's Services**

**Make May 28th an Outstanding Date**

Send dinner reservations at \$1.50 per plate by May 24 to Mrs. Mary K. Gahan  
7207 Glenside Drive, Takoma Park, Md.

Phone SL. 4258

**COME TO STRENGTHEN YOUR CREDIT UNION AND ENTIRE MOVEMENT IN CAPITAL AREA**

## INCREASING SERVICES OF THE LEAGUE AND CUNA WARRANT MEMBERSHIP

Throughout the United States, determination to build a stronger, more united, and well-managed credit union movement is everywhere apparent. It is to be an unbeatable combination of units working together. National and regional conferences are demanding and laying plans for larger staffs, more adequate financing, more effective working tools. Elbert Y. Olney and William P. Mallard, National Directors from the District of Columbia Credit Union League, recently attended a regional gathering in New York City and later reported on efforts to set up improved machinery designed to render more widespread service to credit unions and to expand into new fields. The credit union picture looks decidedly brighter!

Activity that is organized to serve such a broad field as ours can only succeed if it is jointly the concern of all credit unions and is sustained by all. This movement furthermore is only in its infancy. Credit union leaders recognize that vast fields are yet to be cultivated and harvested.

Tangible gains are already evident in the accomplishments summarized below. Without these achievements there would be no movement today worth mentioning. Since it was through the collaboration of many earnest workers that existing credit unions were made possible and since we operate daily along lines developed by the pioneers, it is futile for any credit union to contend that it does or can function independently. We are heirs together. We shall rise or fall together. Unless we spread knowledge of cooperative thrift benefits throughout the land and labor to extend our heritage, our undertaking will shrink. Life is neither static nor compartmentalized. Life flows—everywhere. It blooms as fertile soil is prepared and eager plants are tended. Will there be blossoms and fruit springing from our credit union efforts? Will we bring nourishment and light where they are needed?

### Present Services

Here are the major services performed by the League and CUNA that have meant so much thus far:

1. **ENABLING LEGISLATION** to authorize and regulate credit unions in a sound manner.
2. **LEGISLATIVE IMPROVEMENTS** such as reducing cost of examinations, raising unsecured loan limit, widening of investment channels to include federal savings and loan associations and loans to other credit unions.
3. **DEFEAT OF NUMEROUS PROPOSED LAWS TO TAX** credit unions.
4. **EDUCATIONAL ACTIVITIES** to keep credit unions abreast of happenings in our field and to stimulate sound operating practices: "The Bridge," "Credit Union Counselor," booklets, posters, manuals, advertising devices.
5. **ACCOUNTING FORMS** economically distributed, with 20% discount for League members from standard prices.

6. **BONDING CONTRACTS** lowered through CUNA'S efforts from \$8 to \$4 per thousand. \$50,000 excess coverage is available to member institutions which qualify for it.

7. **INSURANCE.** Loan protection insurance is now available from Cuna Mutual Insurance Society at much lower rates than commercial concerns once forced credit unions to pay. This Society also writes renewable term, mortgage loan, and ordinary life policies at rates considerably less than industrial policies cost.

8. **DELINQUENT LOAN COLLECTIONS** are made by the League's attorney at a 20% charge for local cases referred by League members. Commercial rates cost at least 5 to 10% higher.

9. **MEMBERS' MEETINGS** are vital opportunities where credit union personnel may meet each other to share experiences, hear qualified, interesting speakers, confer on current problems. Four meetings were held this past year, including the valuable training session for supervisory committees. The League plans to make them more than ever before enjoyable and worthy of your participation in the months to come.

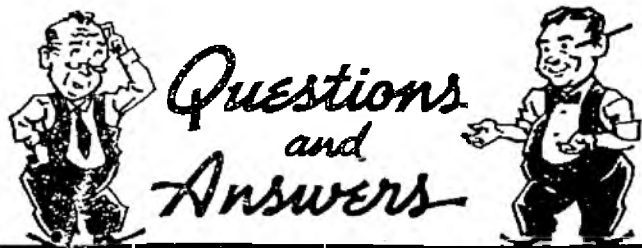
10. **FIELD SERVICE.** No credit union exists which is not confronted occasionally with very difficult problems, for the effective solution of which the counsel of an experienced field secretary is advisable. A scattering of credit union officials have solemnly assured us that they could take care of their members handsomely without our federations. We have usually found evidence soon afterward, nevertheless, that their procedures could stand no small amount of revamping. When snags do appear in our operations, it is important that the steps taken be truly corrective. On the League staff is a growing number of workers with long experience. They are glad to be of service.

11. **ORGANIZATION OF NEW CREDIT UNIONS.** Additional groups of people in the District of Columbia are showing interest in forming new credit unions. If these bodies have the makings of successful institutions, the League should aid them early in their efforts and stimulate them through periodic contacts.

12. **RESEARCH ON LOCAL PROBLEMS.** Phases of operation ascribed to peculiar local conditions sometimes call for special investigation. Several such surveys are under way now so as to enable the League to advise its members appropriately.

These services have a dollar and cent value. If you calculate the true worth of them all, your earnings and reserves combined would be insufficient to compensate for them for the benefit of your entire membership. Our annual dues are a very modest return for services, many of which were and are freely given without charge by interested participants. As more and more credit unions support their federations, however, they will make additional services possible. If boards of directors would seriously study all factors, they would be compelled to admit that membership advantages

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*Questions  
and  
Answers*

**Question:** Must credit unions in the District of Columbia obtain a license and pay the \$500 license tax under the Money Lenders License Law of the District of Columbia?

**Answer:** This matter has been brought to the attention of the Superintendent of Licenses for the District of Columbia, and it is understood that no attempt will be made to collect this license fee from credit unions. If any credit union has any difficulty in connection with this matter, please inform the League promptly.

**Question:** What is the Founders Club? Can I become a member?

**Answer:** If you help to organize a credit union you are eligible to become a member of the Founders Club. There are no dues to pay, but you may apply for membership after you have been instrumental in organizing a credit union.

There are several employee groups and other groups in the District of Columbia or nearby which should have credit unions. If you will start the ball rolling by talking to someone in the group and reporting the case to the League you may earn the right to be a member of the Founders Club. The League and the Federal Deposit Insurance Corporation are always ready to help you organize a credit union—all you have to do is to start the application by getting the group interested and then reporting the case to the League.

Every member of the Founders Club gets an attractive button to wear as evidence of his membership.

Join the D. C. Credit Union League and Cuna

**INCREASING SERVICES OF THE LEAGUE AND CUNA WARRANT MEMBERSHIP**

(Continued from Page 2)

will increasingly offset the cost. Waiting for others to shoulder the load is neither fair nor does it accomplish needed steps.

**EVERY CREDIT UNION SHOULD RECOGNIZE ITS FULL RESPONSIBILITY TO ITS MEMBERS AND TO OUR MOVEMENT BY BECOMING LEAGUE MEMBERS NOW.**

Join the D. C. Credit Union League and Cuna

The man who is waiting for something to turn up might start in on his shirtsleeves.

—B. C. Credit Unionist

It's a good thing to remember  
And a better thing to do,  
To work with the Construction gang,  
Than join the Wrecking crew.

**INTEREST RATES OF SMALL LOAN COMPANIES AND BANKS HIGHER THAN IN CREDIT UNIONS**

In a detailed report rendered by a special commission to Mayor LaGuardia of New York City late in 1945, it was concluded that "legal interest rates on small loans in New York State are unconscionably high." Companies operating there have been earning 61.6% on their investment. Because of a lax formula allowed under state laws, these companies were able to misrepresent their earnings as 3.71%. Interlocking relations between parent and subsidiary companies permitted a heavy increase in profit returned. Clarifying and restrictive legislation was recommended as urgent for public protection.

In Wisconsin, a special legislative committee found the following loan rates in effect:

Institution	High	Low
Banks	37.44%	11.16%
Discount Loan Law	21.24	15.36
Industrial Loan Companies	23.76	15.96
Small Loan Companies	30.12	25.20
Sales Finance Companies	111.60	24.84
Credit Unions	12.12	11.64

Join the D. C. Credit Union League and Cuna

**CREDIT UNIONS NOT WINNING SHARE OF INCREASING LOANS**

Recent reports from the Federal Reserve System show that consumer instalment loans increased 37 million dollars during February. This was 50% greater than for the same month in 1945. Credit unions showed the smallest ratio of gain, however, which indicates that our general procedure is not soundly adjusted to post-war conditions. The following table summarizes developments for February, 1946:

Institution	\$ Gain New Loans	Percent of Gain
Commercial banks	43 million	69.4
Small loan companies	24 "	42.9
Industrial loan companies	4 "	40.0
Industrial banks	3 "	27.3
Credit unions	3 "	18.8

All boards of directors should reexamine their methods, rates and educational programs with real concern. Outgrown restrictions and unattractive surroundings should give way to open-minded dealings with members amid bright, inviting quarters. Where's that hearty smile coming from an understanding heart anxious to serve? Let's get aboard the thrift special and head down the track full speed. There's nothing important holding us back!

Join the D. C. Credit Union League and Cuna

A bee's stinger is one thirty-second of an inch long. The other two feet are imagination—and you're imagining things if you think any one else will give you a better deal than your credit union.

—Camden Postal C. U. Bulletin

Join the D. C. Credit Union League and Cuna

**OUTSTANDING ANNUAL MEETING BOOSTS LEAGUE EXPANSION PROGRAM**

(Continued from Page 1)

retary, Thomas Ritchie; Treasurer, James W. Grant; Directors, William B. Cochrane, Victor J. Tulane, L. Lowell Johnson, Russell C. Beasley and Joseph A. Goetzinger; National Directors, Mr. Olney and William P. Mallard.

**Enthusiastic Banquet Gathering**

The high value of membership in a credit union league was effectively pointed out by vivacious Elizabeth K. Lynch, managing director of the Florida Credit Union League, in her keynote speech at the dinner meeting.

Florida credit unions were saved from serious blunders and shown new ways to combine money making with expanding service, by the Florida League, Miss Lynch said. A simplified system of making auto loans, suggested by the League, saved the member unions thousands of dollars in 1945, she declared. Other examples of League service were given during the talk, which was warmly applauded.

Introduced for short talks at the dinner meeting were Mable Harl, new chairman of the Federal Deposit Insurance Corporation, "guardian angel" of credit unions, and Charles McKeever, vice-president of CUNA.

Music was provided by students of Coolidge High School during dinner. Further musical interludes, in which everyone joined, came in the form of spirited community singing, led by Lowell Johnson with instrumental accompaniment by Messrs. Mallard and Scull.

Consensus of opinion of the delegates who attended was that D. C. credit unions are headed for the most successful year in their history and will benefit greatly from the expanded service planned by their League in 1946 and 1947.

**Join the D. C. Credit Union League and Cuna**

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Editor, Elbert Y. Olney  
Associate Editors: Reed Harris, Robert N. McMillen

**LEAGUE BOARD OF DIRECTORS**

ELBERT Y. OLNEY, President	FR. 8260, Ext. 557
2036 Fort Davis St., S. E.	Washington 20, D. C.
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The District of Columbia Credit Union League is a federation of credit unions in Washington, D. C., and is affiliated with the Credit Union National Association. This League exists to protect, counsel and extend the credit union movement, and to provide needed services.

**HUBERT M. RHODES TO CONDUCT FIELD SERVICE AND EDUCATIONAL AID**

(Continued from Page 1)

besides. We have wanted a managing director to build up a strong base for operations. From that base, increasing help would reach out to all affiliated institutions, so that the local movement would become knit into a healthy organism.

The way has just been opened to inaugurate our plan. Both the National Board of Directors and the Executive Committee of CUNA have approved our proposal to establish our long-time friend, Hubert M. Rhodes—their Field Secretary from North Carolina—as their Washington representative and our Managing Director. His time would be divided between the two responsibilities. The District of Columbia Credit Union League would supply necessary secretarial aid, an office, and physical equipment. September 1 is the date on which this arrangement will go into effect.

Embarking on this expansion has rather inspired us—coming so soon and opening up wide possibilities of accomplishment. The League expects it will inspire you in many ways. This step should bring a conviction of new solidarity in our movement. More help on specific problems will be available close at hand for League members. Credit unions should be stimulated to make increasingly wise use of their own resources. They should reach out to strengthen contacts with other credit union folks.

Further, in return for the increased responsibility the League is assuming—financially and in broadened activities—the Board of Directors is asking for much stronger backing from all Washington credit unions. Non-member groups are urged to study earnestly the growing program of the District of Columbia Credit Union League. League members are asked to make clear advantages of affiliation among individuals they know in other credit unions. This undertaking, in addition to activities already established, will bring beneficial concrete returns. We can never overlook, in all fairness, obligations to the movement itself and to other credit unions for accomplishments already achieved. Every alert and far-sighted credit union should be a participating League member.

An adequate central program will require a much increased income for educational costs, an office secretary, office expenses, supplies and equipment. These things can only be moulded into services to you and your neighbors in proportion to the energetic response you give to us.

**Join the D. C. Credit Union League and Cuna**

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