
OUTLINE

FOR

CREDIT UNION
STUDY GROUPS

IN THE

PROVINCE
OF
ONTARIO



ONTARIO

DEPARTMENT OF AGRICULTURE
CO-OPERATION AND MARKETS BRANCH

Toronto, 2, Ontario,
May 4th, 1944.

Mr. J.G. Kehoe, M.P.P.,
Kapusksing,
Ontario.

Dear Sir:

At the request of Mr. George E. Lockhart, M.P.P. (Rainy River) I am enclosing herewith copy of a set of pamphlets on the history, organization and operation of Credit Unions, together with copy of the Annual Report on Operations of Credit Unions for 1943, published by the Ontario Department of Agriculture.

Yours very truly,

A handwritten signature in cursive script that reads "G.F. Perkin".

G.F. Perkin
Inspector of Credit Unions.

F.
Enc.

**Outline for
Credit Union Study Groups
in the
Province of Ontario**

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Prepared by
**The Educational Committee
of the
Ontario Credit Union League**

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CREDIT UNIONS — THEIR SIGNIFICANCE

A Credit Union is an association of persons who co-operate together to encourage regular saving; to provide a fund from which they can borrow for provident and productive purposes; and to train themselves in business methods.

A Credit Union is more than that. (As the bank is the basis of capitalist economic activity so the credit union is the basis of the co-operative movement. It is the easiest to operate yet the most fundamental of all forms of co-operative business. It is the business enterprise in which millions of people have experienced for the first time the thrill of co-operative activity and have realized that it is possible to have Christian brotherhood in economic life.)

A Credit Union may be successful as a *business* but it will certainly be unsuccessful as a co-operative unless the members realize that the true significance of their credit union will be found in building a better and more Christian society.

Introduction to the Guide

This study outline is offered as a guide to the kind of study which will give the members a thorough knowledge of the history, operation and significance of a Credit Union. Thorough knowledge and co-operative spirit are essentials of democratic co-operative action. It is hoped that by following this guide and the suggestions in regard to reading, study and action, the necessary spirit and knowledge may be gained.

The following four steps are suggested to any person who is interested in starting a credit union:—

1. Make a study of credit unions yourself, so that you will know what you are talking about when you try to interest others. Be convinced about the need for study also.
2. Gather a small group of interested persons and explain about credit unions and about a plan for a study group.
3. Continue the study while recruiting new members.
4. Commence saving money as soon as the group is ready for it.

Study and Action are closely connected in the building of a credit union. Every possible action should be thoroughly studied and understood before it is undertaken. Every action should lead to further study of its effects and of what action should be taken next. Study without action is futile and discouraging. Action without study is blind and dangerous. A common knowledge gained through reading and a common opinion gained through democratic discussion are both essential to successful action.

See the **Suggestions for Study Groups** on Page 17.

The Guide is not intended as a rigid outline that may not be modified. Although the order and content of the sections and the questions have been carefully worked out, they probably will not suit all groups and all situations. If changes are necessary the group should feel free to make them although all the material in the outline should be covered if an adequate understanding is to be achieved.

The first three sections of the outline (1) a general introduction to credit unions; (2) purpose and operation of a credit union; and (3) history of the credit union movement are necessary background. The last four sections cover the organization and operation of a credit union and the members should be particularly well acquainted with these.

The pamphlets and other materials for study are essential equipment. They should be available to all members and they should be read by all. Brief reviews by members or the reading of important sections in the groups will serve to recall the material to mind before or during the discussion.

The Chairman's job is most important. He should make a *thorough study* of the pamphlet on study groups for *on him depends a great deal of the success of the group*. He should go over the material for the next meeting and should plan it carefully. He should always remember that it is his job to lead the group through democratic discussion to a common mind on action.

Remember that a group study is not a grim affair, it is a lively, joyous adventure in gaining knowledge of credit unions and of your fellow members.

Read this outline through carefully at the beginning. This will help to give some idea of the direction of the study program. You will see that the last meeting is concerned with the organization of a credit union and that it is suggested there that each member joining the credit union deposit \$2.00 to begin with. Your group may feel that this amount would be too much at one meeting and perhaps would prefer to do what many small groups have done in the past, i.e., appoint a treasurer for the group who will collect and keep track of weekly amounts deposited with him. This money would be kept in each person's name, and if a credit union was formed at the end of the study period, would constitute their initial stake in the venture. The money might be used to buy literature for the group or for any other purpose on which the group decided. It would, however, be a nest-egg with which the credit union could start at the concluding meeting and would not involve any difficulty in collecting if it were done weekly. Twenty-five cents a week for the seven or eight meetings it will take to complete this outline would produce nearly the \$2.00 amount which it is recommended that a member deposit when the credit union is formed. If your group did not wish to start making these deposits at the first meeting they could begin at any time later and if at the last any member did not wish to join the credit union his money could be returned to him.

References

The following pamphlets and papers are suggested for reading. Further detailed references will be made to them in the course of the study outline. It is suggested that each group obtain a supply sufficient to permit all members to have easy access to them:

- Profits and the Profit System*—Paul H. Douglas - (15c)
- Co-operation — A Plan for To-morrow Which Works To-day*—H. H. Hannam - - - (20c)
- Credit Unions*—Joseph MacIsaac - - - (15c)
- We Learn By Doing*—Extension Department, St. Francis Xavier University - - - (20c)
- Outline For Credit Union Study Groups*—Ontario Department of Agriculture - - - (Free)

Manual for Credit Union Officers — Ontario Department of Agriculture - - - - (Free)

Credit Unions and the Co-operative Movement— Ontario Department of Agriculture - - (Free)

Ontario Credit Unions Act—Ontario Department of Agriculture - - - - - (Free)

Standard Form of Ontario Credit Unions Act By-laws—Ontario Department of Agriculture - (Free)

All these pamphlets can be purchased from the Ontario Credit Union League, Ltd., 152 Sutherland Drive, Toronto, Ontario. A sample packet of study material may be obtained by remitting \$1.00 to the Ontario Credit Union League, Ltd., c/o George W. Scott, 152 Sutherland Drive, Toronto. This packet will include the pamphlets listed above and any other material which the League feels would be useful to your group.

Section I

FIRST STUDY GROUP MEETING

What is a Credit Union?—General Introduction.

1. How a Study Group Works

This tool of democratic action is useless and discouraging if improperly used. If properly used it is a tremendous force for building a better society. Find out how to use it by reading and discussing together the suggestions for Study Groups on Page 17 of this outline.

2. Credit Unions do work!

The credit union movement is almost 100 years old. It has proved its value in almost every country of the world and increasingly so in Canada in the past ten years.

Read —Credit Unions—Pages 3-8.

—We Learn By Doing—Pages 30-31.

Discuss—1. Why did the Credit Union Movement first arise?

2. To what extent do the great advances of the movement prove its value for us to-day?

3. The Problems that must be solved

Unemployment, mal-distribution, monopoly, etc. seem to be characteristic of our present system. The co-operative movement is suggested as one of the most promising solutions.

Read —Co-operation—Pages 41-45.

—Profits and the Profit System—Pages 18-40 and 45.

Discuss—1. What are our basic economic problems?

2. To what extent can the co-operative movement provide a solution?

4. Credit Unions and The Co-operative Movement

The first co-operative organization was the "Credit Union" started by the Rochdale weavers. Ever since Credit Union experience has aided in the management of co-operative enterprises and credit union savings have provided the necessary capital.

Read —Co-operation—Pages 2-4; Pages 48-51; Page 61.

—We Learn By Doing—Pages 6-8.

Discuss—1. Why should a credit union be formed before any other kind of co-operative?

2. How has the formation of credit unions promoted the development of other co-operatives?

5. Credit Unions. Study Groups and Action

This brief study has been introductory only. At least six meetings should be given to the study of credit unions before any action is taken. If after six meetings of thorough discussion the members wish to go ahead the *credit union will* be a success.

Section II

SECOND STUDY GROUP MEETING

What is a Credit Union?—Operation.

1. The Three Purposes of a Credit Union

A credit union has three services to offer its members. It is important to consider to what extent these three services will be of value to your group.

Read —Credit Unions—Section 1, Page 3; Section 2.

Discuss—To what extent will these services benefit your group?

2. Savings and Loans

Successful credit unions have followed certain rules in their savings and loan policies. Thorough knowledge of these rules is essential.

Read —Credit Unions—Pages 8-9; Section 4, Pages 16-20.

Discuss—1. The questions proposed for discussion in these sections.

2. How will regular saving benefit people in your group?

3. How will the type of loan offered by a credit union benefit your group?

Section III

THIRD STUDY GROUP MEETING

What is a Credit Union?—History and Accomplishments.

1. The World Movement

The credit union movement has a great history involving millions of people, billions of dollars, hard work, tremendous sacrifice, and great joy and solid achievement in the practical realization of the principle of brotherhood.

Every credit union is a part of this movement and should be prepared to share in the effort to make it greater still.

Read —Credit Unions—Pages 3-7.

Discuss—1. What were the purposes in the minds of the founders of the movement?

2. In what way does the widespread and rapid development of the movement indicate that it has met basic needs?

3. How does the credit union movement to-day serve purposes in addition to those in the minds of the founders?

2. Development in Canada

The Canadian credit union movement also has a long and interesting history.

Read —Summary of Credit Unions in Canada and Credit Unions in Ontario. (Economics Division, Marketing Service, Department of Agriculture, Ottawa.)

Discuss—1. Where are credit unions flourishing at present in Canada?

2. Under what circumstances have credit unions developed most readily in Canada?

3. Development in Nova Scotia

The Extension Department of St. Francois Xavier University has stimulated the co-operative movement in Nova Scotia to an extent that is exciting international interest. The methods used are most important. They are being adopted by other organizations throughout North America.

Read —We Learn By Doing—Pages 29-33, and 35-37.

Discuss—What is the basis of the credit union development in Nova Scotia?

Section IV

FOURTH STUDY GROUP MEETING

Credit Union Operation—Local Organization.

The officers of a credit union are handling money belonging to themselves and to others. This is a great trust and one that can, under good management, be the basis of deeper cooperation and fellowship than the group has known before. The only true safeguard of good management in a democratic organization is thorough knowledge, a deep sense of responsibility and trust. The study of local organization is most important.

1. Membership

Read and Discuss—Credit Unions, Sections 6-11.

Ontario Credit Unions Act, Sections 23-24.

Standard Form of By-laws, Articles II and XIV.

2. Capital

Read and Discuss—Credit Unions, Sections 12-21.

Ontario Credit Unions Act, Sections 20-22.

Standard Form of By-laws, Article III.

3. Income

Read and Discuss—Credit Unions, Sections 22-25.

Ontario Credit Unions Act, Section 28.

4. Dividends

Read and Discuss—Credit Unions, Sections 26-30.

Ontario Credit Unions Act, Section 27.
Standard Form of By-laws, Articles XII and XIII.

5. Loans

Read and Discuss—Credit Unions, Sections 31-45.

Standard Form of By-laws, Article VI.

6. Officers and Their Duties

The policy of the credit unions is carried out by officers elected at annual meetings from the membership on the basis of one person one vote. In order to secure good officers and to assist them in carrying out their duties effectively, it is essential that all members know the duties of officers thoroughly.

1. *Directors*—Read and discuss—Ontario Credit Unions Act, Section 29; Standard Form of By-laws, Articles VIII and IX.
2. *Credit Committee*—Read and discuss—Credit Unions, Section 41; Ontario Credit Unions Act, Section 30; Standard Form of By-laws, Article X.
3. *Supervisory Committee* — Read and discuss — Ontario Credit Unions Act, Section 31; Standard Form of By-laws, Article XI.
5. *Treasurer and Manager* — Read and discuss — Ontario Credit Unions Act, Sections 32-33; Credit Unions, Section 51; Standard Form of By-laws, Article IX, Section 5; Article V.
6. *Guarantee and Education Fund* — Read and discuss — Standard Form of By-laws, Article XII.

Section V

FIFTH STUDY GROUP MEETING

Credit Union Operation — Co-operation Between Credit Unions.

1. Leagues and Chapters

The co-operative movement will not have completed its job until our whole economic system is operated for the co-operative benefit of all. Its stronghold is the local organization whether in factory or community, but its strength and value is increased many times by joint action between co-operative organizations. The credit union movement has been welded into a powerful force in present day society by the co-ordination of credit union action through chapters and leagues.

Read —Pamphlet on the Ontario Credit Union League.
Pamphlet on CUNA.
Mimeograph on Chapter Organization.

- Discuss* —1. What advantages would affiliation with the Ontario Credit Union League have for your credit union?
2. What advantages has CUNA to offer?
3. What advantages has Chapter Organization and could one be formed in your district?
4. What other considerations besides immediate advantage to the local credit union should be considered when contemplating joining the League.

2. Credit Unions and Co-operation

Credit unions are one very important aspect of the co-operative movement. For an adequate understanding of credit unions and their future possibilities, it is necessary to know the general principles underlying the co-operative movement.

Read —Co-operation — A Plan for To-morrow — Pages 6-19.

We Learn By Doing—Pages 6-8.

- Discuss*—1. What part do credit unions play in the co-operative movement?
2. How can credit unions and co-ops bring in the New Order?

Section VI

SIXTH STUDY GROUP MEETING

Organizing a Credit Union—Your local situation.

You should now be ready to judge of the value of a credit union for your group. Remember that meeting the immediate needs of your group is one factor only. You are responsible for the development of a new order of society. A credit union is a valuable and essential tool.

Your Local Situation

Consider the following questions in the light of the needs of the members of the group and the local situation:

1. To what extent will a credit union benefit your group?

Review "Credit Unions", sections 4; 16-20; 23; 31-41.

Consider—(a) Savings.

(b) Loans.

(c) Co-operative Training.

2. Consider carefully

1. How much could be saved? Regularly?
2. How money would be collected or paid out?
3. When and where members would meet.
4. Who might be able officers?
5. What loans could be made and for what purposes?
6. What further co-operative activities might be developed from a credit union?

Credit Union Bookkeeping

Credit union bookkeeping is very simple and should be understood by all members. A session spent on the study of the credit union bookkeeping forms and procedures will clear up many points both as to how a credit union works and the duties of officers.

A supply of forms sufficient for demonstration should be on hand. One member of the group should make himself familiar with the system in advance so that he may explain it to the group.

Section VII

SEVENTH STUDY GROUP MEETING

Organizing a Credit Union—Carrying on.

You should now be ready to organize, and this seventh meeting, the last on the outline, should be spent in planning for the future. Several points should be kept firmly in mind:

1. Organization

- (a) A copy of The Ontario Credit Unions Act, 1940, a sample copy of the Standard Form of By-laws and of the Memorandum of Association should be on hand for this meeting. (These may be secured by writing the Registrar or the Inspector of Credit Unions, Department of Agriculture, Queen's Park, Toronto, Ontario.)
- (b) Have as many as will sign the Memorandum of Association at this meeting. If you can secure 20 members you can go ahead and apply for your charter. If it is not possible to secure the full 20 members, sign up those who are ready to act and appoint a provisional President, a Secretary and a Treasurer.
- (c) If you have 20 members ready to act a good way to get started would be to have each of these members subscribe \$2.00, which sum would be credited to their share account after the charter, corporate seal, and a minimum supply of the necessary bookkeeping supplies were paid for. The charges so incurred would be placed on the balance sheet as organization expenses and amortized over a period of time. The Memorandum of Association should then be sent to the Inspector of Credit Unions, Queen's Park, Toronto, Ont.
- (d) Call a general meeting, which is the first Annual Meeting, to elect a Board of Directors, a Credit Committee of three persons, and a Supervisory Committee of three persons. The Board would elect from its members the President, Vice-President, Treasurer and Secretary.
- (e) If you are unable to sign up the full 20 members at this meeting you should consider plans for carrying

on the group and forming your credit union. It may be that you should attempt to complete organization with a special meeting to which a speaker is invited, or it may be that your group would prefer to canvass individually for the 20 members before calling such a special meeting. Carrying on from this point is a matter for the group to decide on the basis of their own knowledge of their community or group.

- (f) After the Charter is issued, a corporate seal is necessary. This can be obtained by writing to the Ontario Credit Union League, Ltd., 152 Sutherland Drive, Toronto, giving the name of the Credit Union in block letters or in typewriting, and enclosing a remittance of \$4.75 payable at par, Toronto, Ontario, in favour of the Ontario Credit Union League, Ltd.

Credit Union bookkeeping supplies may also be obtained from the Ontario Credit Union League, Ltd., 152 Sutherland Drive, Toronto. Supplies sufficient for 50 members can be secured for about \$14.00.

2. Study

1. A continued study is the basis of continued success. All members should have a thorough knowledge of credit unions. Devise means for bringing new members up-to-date.
2. When you feel that you have an adequate knowledge of credit unions, plan to continue the study of other types of co-operatives or other action your study group might undertake for the benefit of its members. Remember—A credit union is only a first step.

For Future Study:

All credit unions should subscribe to:

Credit Union News—a monthly bulletin of educational material and news about Ontario Credit Unions. 100 copies for \$1.00—David Smith, Ross Block, Barrie, Ont.

The Bridge—A monthly magazine published by Credit Union National Association, Raffeisen Bldg., Madison, Wis. \$1.00 per year.

There are many schemes that credit unions can use to bring benefits to their members. If you would like to study any of the following, write to George W. Scott, Ontario Credit Union League, Ltd., 152 Sutherland Drive, Toronto, Ontario:

Co-operation,

The Plan for Hospital Care,

CUNA—Insurance Plans.

SUGGESTIONS FOR STUDY GROUPS

The Study Group

A Study Group is a tool for solving community problems in the same way that a binder is a tool for harvesting. Before we can use a binder successfully we must learn how to run it and to care for it. It is just the same with a Study Group. To make it work we must learn to use it and we must take care of it. In other words, follow the rules. If we do that we can make it a powerful instrument for improving community conditions. It is the present-day tool for democracy.

The importance of *starting on time* and *finishing on time* can hardly be overstressed. If the Study Group is to keep going and have something to show for its activity, punctual meetings with a well-run program will help tremendously. It is the *Chairman's* job to see to it that the meeting starts on time and concludes sharp on the dot.

The inclusion in each evening's program of a recreation period and the serving of simple refreshments is also strongly recommended. Cards, games, singing, whatever seems best to the group, are ways of carrying on the recreation period. The Chairman is also responsible for seeing that this period starts and stops on time. The meeting should be concluded by 10.30 p.m. so that everyone can get home in good time. There will be a meeting every week if these simple rules are followed carefully.

The following order of business for Study Groups is recommended:

<i>Order of Business</i>	<i>Approximate Time</i>
1. <i>Business</i> - - - - -	10 minutes
Minutes of previous meeting,	8.00
Business arising out of Minutes,	to
New Business	8.10
2. <i>Topic of the Meeting</i> - - - - -	80 minutes
	8.10 to 9.30
3. <i>Recreation and Refreshments</i> - - - - -	45 minutes
	9.30 to 10.15
4. <i>Arrangements for Next Meeting</i> - - - - -	15 minutes
Distribution of study club material,	10.15
Place of next meeting, etc.	to 10.30

POINTS TO WATCH

Getting Ready

1. Arrange group in circle, so each person can see every other person.
2. Provide table space, if convenient, for leader and entire group.
3. Let all stay seated during discussion, including leader. Keep it informal.
4. Start by making everybody comfortable. Check ventilation and lighting.
5. See that everybody knows everybody else. If a visitor joins the group make sure he or she is introduced.
6. The use of given names helps informality and puts everyone at ease.
7. Have a blackboard, chalk, and eraser ready for use in case of need. Appoint a "blackboard Secretary" if the subject matter and occasion makes it desirable. If blackboard is not available large sheets of paper with crayon may be used.
8. Start on time and close at prearranged time.
9. In opening, emphasize: *Everyone* is to take part. If one single member's view fails to get out in the open, the discussion has failed to that extent.
10. To this end, emphasize: *No speeches*, by leader or group member. No monopoly. After opening statement, limit individual contributions to a minute or so.

Carrying On

1. Make your own preparation for the discussion. Think the question through in advance. Aim to establish connection between ideas in material, and experience and ideas of group-members.
2. Aim at outset to get a sharply defined question before the group. Have three or four alternatives put on board if you think this will help: "Which do you want to start with?" "Is this question clear?"

3. In general, don't put questions to particular group-members, unless you see that an idea is trying to find words there anyway: "Mrs. Brown, you were about to say something?" Otherwise: "What do some of the rest of you think of this?" "We've been hearing from the men. Now how do you women feel about this?" Etc.
4. Interrupt the "speech maker" as tactfully as possible: "While we're on this point, let's hear from some of the others. Can we save your other points till later?"
5. Keep discussion on the track: *Always keep it directed, but let the group lay its own track to a large extent. Don't groove it narrowly yourself.*
6. Remember: The Leader's opinion is only one in the discussion. Your job is to get the ideas of others out for an airing.
7. If you see that some important angle is being neglected, point it out: "Bill Jones was telling me last week that he thinks . . . What do you think of that?"
8. Keep the spirits high. Encourage ease, informality, good humor. Let everybody have a good time. Foster friendly disagreement. Listen with respect and appreciation to all ideas, but stress what is important and turn discussion away from what is not.
9. Take time every 10 minutes or so to draw the loose ends together: "Let's see where we've been going." Be as fair and accurate in summary as possible. Close discussions with summary—your own or the secretary's.
10. Call attention to unanswered questions for future study through skilful closing summary. Nourish a desire on the part of group members for continuing study and discussion.
11. Make sure that the secretary keeps notes of the discussion and has the main points down ready to report. The report should be brief and should present conclusions rather than discussion.

