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# FOR BIG EXTENSION OF PEOPLE'S BANKS

## Conference Decides to Ask Con- gress to Make Credit Unions National Institutions.

### TO HELP SMALL BORROWERS

#### George E. Roberts Elected Chair- man of Committee to Push the Project.

The National Committee on Peoples' Banks was formed yesterday at a meeting at the City Club, of citizens from various parts of the country. George E. Roberts, formerly Director of the Mint, and at present assistant to the President of the National City Bank, was chosen chairman, with Edward A. Ellene, of Boston, vice chairman. The object of the organization is to urge legislation on Congress to make the various people's banks national, instead of State institutions, and to continue in the establishment of additional banks.

The People's Bank, or Credit Unions as they are known in some States, it was explained at the meeting, have as their object the extension of credit to salaried workers, small business men, and farmers who cannot obtain credit at the ordinary banks without collateral. The organizations are mutual; that is, one must own stock to become a member. Each shareholder has one vote regardless of the number of shares he owns. Loans are made from \$200 to \$1,000 each, the interest varying slightly with the individual bank, and whatever profits are earned are paid to the members in dividends. The shares are generally sold at \$5 or \$10 each.

In making loans to members the banks aim to promote thrift and to abolish the necessity for loan sharks and professional money lenders. The banks also receive deposits in small amounts.

In Massachusetts there are sixty credit unions and in North Carolina nineteen. There are said to be 5,000 in France, Italy, Germany, Austria, Russia and Great Britain, doing a business of \$7,000,000,000 annually.

There are similar institutions in New York State, Rhode Island, New Hampshire, Wisconsin, California and Texas, but they are of limited number, size and strength. The aim of the National Committee is to consolidate their interest in a national organization. As typical of benefits derived from credit unions, the following paragraph from a manual of the Massachusetts Credit Union Association was pointed out:

"The Credit Union is democratic in its control. Each member has equal vote. The bigger policies are determined by the members, who also elect the officers. The Directors' meeting brings out the principles of banking, interest, dividends, membership, loans, &c. It is the school of experience guided by the law and supervised by State officials. Credit, thrift, and investment—how, why, and when? The simple but effective methods of bookkeeping guide and record their transactions. There is no attempt to deal in matters of high finance, nor in complicated problems of banking, but the fundamentals of banking are faced and mastered. The wage earner, the clerk, the man of hard common sense but little schooling, come to appreciate the meaning and operations of our financial system."

Among those at the conference were Governor T. W. Bickett of North Carolina; Warren S. Stone, Grand Chief, and W. B. Prenter, Secretary-Treasurer of the Brotherhood of Locomotive Engineers; Major James M. Boyle of the Consolidation Coal Company; Max Mitchell, president of the Cosmopolitan Trust Company and a member of the Massachusetts Commission on Foreign Trade and Commerce; Dr. W. F. McCaleb and John C. Bills, Jr., directors, and Charles W. Birtwell, Executive Secretary of the Massachusetts Credit Union Association.

Among members on the National Committee unable to attend were: Governor David I. Walsh, Massachusetts; Dr. Albert Shaw, Alphonse Des Jardins, founder of the People's Banks of Canada; Howard Coonley of the Emergency Fleet Corporation; Charles A. Beard of the Bureau of Municipal Research; W. V. Collier, ex-Bank Commissioner of Texas; Albert J. Beveridge, ex-Senator from Indiana; Felix Vorenberg, Dr. F. A. Cleveland, and Dr. Elwood Mead.