

OFFICE OF THE VICE PRESIDENT
WASHINGTON

*Mr Ehrman
Mrs Peterson*

Suggested Comments for the Vice President for SouthWest House Federal Credit Union Ceremony. Monday, January 30, 11:30 a.m., Room S-207 of the Capitol.

You folks surely know that there is nothing a small town boy from South Dakota ^{Minnesota} values more than a sense of neighborhood. And I want you to know that I am delighted to be a part of the Southwest Washington neighborhood, and to be able to participate in the activities of SouthWest House Credit Union.

So I am especially pleased to join today the SouthWest House Credit Union, and to now ask you to accept, Mr. Ehrman, my membership fee and the purchase price of my first share.

The Credit Unions are a marvelous influence, in this country and increasingly throughout the hemisphere.

In the United States today, there are 22,600 federally chartered credit unions, with 18 million active accounts and assets which total \$11 billion. In my state of Minnesota alone, there are 500 credit unions with 300,000 members and assets of \$250 million.

The cash benefits which people gain from their membership in credit unions is of course only a small part of

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the story. Credit unions have recognized their community responsibilities and have established loan counseling and consumer education services which have greatly added to the quality of life for credit union members.

↳ In 1961 a Senator from Minnesota felt that the educational and financial services of credit unions and other cooperative groups would offer real hope for the development of other nations as well as our own. And so he proposed an amendment to the foreign assistance act which authorized the use of personnel from United States Organizations to provide technical assistance to groups abroad for cooperatives, credit unions and savings and loan associations. Now this ex-Senator has been delighted to see that such assistance to 12 Latin American countries under the Humphrey Amendment has contributed to substantial progress. ↳ In 4 1/2 years this assistance has increased the 432 existing credit unions to 2216; the membership from 124,000 to 590,000; and the assets from \$4.2 million to \$41.4 million.

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The credit unions in these countries are cumulatively loaning about \$112 million a year to people who otherwise would be denied such low cost help in improving their agricultural production, buying needed consumer goods, making home improvements and getting seed capital for small enterprises.

And don't forget that to each member the credit union provides not only interest on his savings, but educational services of benefit to the family and community.

In this country, the OEO-funded credit union offers great promise as a means of bringing to more and more of the poor the advantages of credit union membership. OEO now has 47 fully active federally funded credit unions, with 16,000 members and \$785,000 in assets. In terms of people, this means that each year some 9000 loans, with a cumulative value of over \$1 million, are being made to people who cannot get such assistance from other financial institutions. This is a good start, and it is clear that the United Planning Organization in the District of Columbia is going to show other communities how the job is done.

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I want to emphasize this morning, as I join this credit union, the virtues of Union in this connection. Union has brought strengths and opportunities to all common efforts of good purpose, from our national union of States to local unions of workers. The advantages which flow from union are particularly appropriate to the credit union established to serve people of modest resources.

First of all, this union brings strength -- the strength of economic resources combined to assist members having small incomes and very modest resources.

It brings to its members equality -- the equality of being eligible for small loans for people who are usually denied the opportunity to borrow from legal lending sources because they are poor.

This common effort brings to members the democracy and camaraderie of self-government, devoted to managing the combined resources of individuals and to establishing consumer education programs, for the benefit of union members and the community in general.

It brings independence -- independence from exorbitant credit charges, from the selfish and sometimes cruel hands of the loan sharks and the "juice" racketeers who prey

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upon the poor in particular.

And, it brings freedom -- the freedom to have a real choice, a better choice, when the family buys a refrigerator or a television set. A credit union member can choose to borrow and repay the borrowed amount at a reasonable credit cost through his credit union; or he may choose to save before spending and realize income from interest or dividends, as well as savings that come from buying in cash.

One last point. Some may inquire why those of us who are fortunate enough not to be poor should join this credit union. The answer is that we want to be a part of that community effort and to devote a share of our resources to the common "pot." Our united effort strengthens the entire community. So I urge all my friends and neighbors in the Southwest, regardless of income, to become investing and participating members of the SouthWest House Federal Credit Union. And I hope that similar memberships will come to the OEO-funded credit unions across the country.

So, my friends, I applaud all of you here for your work which is building strength, equality, democracy and camaraderie, independence and freedom, through active membership in a credit union.

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