

small—7 cents for aid to dependent children, 1 cent for aid to the blind, and 4 cents for aid to the permanently and totally disabled.

How Federal Credit Unions Operate During Work Stoppages

To determine the services that Federal credit unions provide their members during a time of work stoppage, the Bureau of Federal Credit Unions in September 1952 mailed questionnaires to 237 institutions in companies that were thought or known to have had a strike or other form of work stoppage. Replies were received from 133 credit unions; 87 dealt with experience during a major work stoppage, and their reports have been analyzed.

Of these 87 reports, 58 referred to the strike in the steel industry in the early summer of 1952 or to work stoppages that had resulted from the consequent shortage of raw materials. Nineteen dealt with work stoppages that had occurred for other reasons.

Seventy-three of the 87 reporting credit unions imposed no restrictions on share withdrawals. The restrictions imposed by the other 14 were of varying types. Some limited the amount that the members could withdraw, and others imposed waiting periods.

Almost half (40) of the credit unions reporting established restrictions on loans made during the strike. The most severe was a blanket refusal to make a loan of any type or in any amount. Some credit unions discontinued making all except emergency loans or made only emergency loans not exceeding \$100. Others set maximums (\$100 or \$200) on the amount that the members could borrow, and still others specified limits (\$50 and \$150) only on unsecured loans. In some cases the amount was fixed according to the member's past record of repayment. In still others, loans for nonessentials were limited, but no limit was set on loans for food and shelter. Loans on cars were temporarily discontinued by some credit unions.

To meet the strain on their re-

sources, 29 of the 87 Federal credit unions found it necessary to borrow. Eleven borrowed from other credit unions, and 18 obtained loans from banks; several borrowed from both. One Federal credit union obtained a loan of \$600 from the employer, with no interest charge; one large credit union made arrangements with its bank to borrow as much as \$500,000, with interest at 2.75 percent, but the funds were not needed. The amounts borrowed and the interest rate are shown in the following tabulation.

Number of Federal credit unions reporting	Interest rate	Aggregate amount
Loans from other credit unions		
Total, 11 credit unions.	-----	\$148, 250
1.-----	2.5	250
6.-----	3.0	81, 000
1.-----	3.5	15, 000
3.-----	4.0	52, 000
Loans from banks		
Total, 18 credit unions.	-----	\$838, 000
1.-----	2.0	25, 000
4.-----	2.5	168, 000
1.-----	3.0	20, 000
5.-----	3.5	189, 000
4.-----	4.0	390, 000
1.-----	4.0 and 5.0	40, 000
2.-----	6.0	6, 000

Fifty-six of the credit unions reported that they made special effort to keep members informed on the services available to them during the work stoppage. One or a combination of the following methods was used by these 56 credit unions:

Posting notices—through the plant, outside the credit union office, in union headquarters, and in “unemployment registration places”;

Arranging to keep the credit union office open for business and consultation with members by moving it to the treasurer's home, the foremen's club, union hall, or other temporary quarters;

Informing members, by word of mouth and posters, of the credit union's location and office hours if the pending strike should materialize;

Sending postcards to all members and letters to members affected by the strike;

Making announcements in union meetings and spot radio announce-

ments and placing notices in local newspapers and union publications; Consulting with officials of the labor union, including the union relief committee;

Making credit union officials available for consultation at scheduled times in union headquarters and elsewhere;

Getting in touch with members at their homes;

Giving the address of the treasurer and credit union office to gate watchmen and pickets; and

Keeping the credit union office open 13 hours a day during the strike.

To the question, “Were loans that became delinquent during the stoppage refinanced?” 44 credit unions answered “yes.” Of these, all but one reported that the refinancing was done on an individual basis. In two cases where there was no refinancing, the board of directors waived fines on such delinquency for a period of 2 months after the strike.

Only two of the 87 Federal credit unions reported that the confidence of the members was impaired during the strike. The others all stated that the credit union gained membership confidence and support as a result of services they had rendered during the work stoppages.

Of the two credit unions reporting that the confidence of their members was affected, one had total assets of \$40,000 at the beginning of the strike and the other had less than \$35,000. The first stated, “Because of shortage of funds we could make no loans. This served to increase pressure for share withdrawals. If we had had money we could have doubled membership. It is estimated that membership confidence was completely restored within 2 or 3 months.” The second said that “confidence was impaired to a moderate degree because accrual of financial obligations of members caused a further restriction in distribution of funds.”

Four credit unions reported that their financial condition was impaired by operations during the strike. Three of them had started with assets of less than \$35,000 each. The fourth, with assets of \$240,000, reported that financial soundness was restored in about 2 months, when a loan of \$28,000 from the bank was repaid. Of

the three smaller units, two were financially sound in 90 days or less, while the third reported that it would be financially sound by November 30, "when the loans that became delinquent during the strike will be restored to current status."

In addition to showing some of the unusual methods adopted to provide service and to keep members informed, the survey strengthened the long-time belief of credit union leaders that these organizations, if properly staffed, can cope with most crises.

Certain more specific conclusions may also be drawn. The survey

shows the importance, in times of work stoppages, of maintaining the confidence of members by providing emergency loan and share withdrawal services and by using special information devices where necessary. The cash position of the credit union is vital; cash for emergency loans can be provided by cashing credit union investments, borrowing by the credit union, or obtaining extra share payments from members who have funds.

The survey indicates, in addition, that the larger, established Federal credit unions can cope with a crisis arising from a work stoppage more

easily than the smaller units can, and that thrift promotion and sound loan collection policies and procedures during normal times are real services to members.

Finally, the reports show that membership participation in a credit union is promoted by any effort that increases members' understanding of credit union objectives and justifies their confidence in the organization. Actual experience indicates that it is possible for a credit union to come through unusual and trying circumstances, such as those produced by a work stoppage, in a stronger position than it had held before.

Recent Publications*

Social Security Administration

CHILDREN'S BUREAU. *Infant and Maternal Mortality in Metropolitan and Outlying Counties, 1944-48.* (Children's Bureau Statistical Series, No. 12.) Washington: The Bureau, 1952. 62 pp. Processed.

State data on infant and maternal mortality. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

MERRIAM, IDA C. *Social Security Financing.* (Division of Research and Statistics, Bureau Report No. 17.) Washington: U. S. Govt. Print. Off., 1953. 204 pp. Processed. \$1.

Discusses the alternative revenue sources that might be used to finance social security programs, the appropriate distribution of costs, the present and potential size of financial operations, and the effect of the programs on the distribution of income, on consumption and savings, on economic growth and stabilization, and on the national welfare. Separate chapters deal with the financing of old-age survivors insurance, unemployment insurance, and grant-in-aid programs. A statistical appendix brings together historical and current data. Limited free distribution;

apply to the Division of Research and Statistics, Office of the Commissioner, Social Security Administration, Washington 25, D. C.

PERLMAN, I. RICHARD, and WIENER, JACK. *Adoption of Children, 1951: A Statistical Analysis.* (Children's Bureau Statistical Series, No. 14.) Washington: Social Security Administration, Children's Bureau, 1953. 17 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

Social Security in the United States. (New edition, 1952.) Washington: U. S. Govt. Print. Off., 1953. 65 pp. 25 cents.

Traces the origin and development of social security in the United States, considers its place in American life, and describes in detail the various programs under the Social Security Act as well as related programs. Includes a chronology of significant events and a selected bibliography.

General

ALTMAYER, ARTHUR J. "A Look at the Future." *Social Work Journal*, New York, Vol. 24, Jan. 1953, pp. 7-11 f. 75 cents.

Discusses the present social security programs and considers possible developments in the field of social welfare in the United States.

ARNALDOS JIMENO, PEDRO. *Estudio Comparado del Seguro de Invalidez y Muerte y de su Posible Implantación en España.* Madrid: Ministerio de Trabajo, Instituto Nacional de Previsión, 1952. 319 pp. Shows the 1951 legal status of in-

validity and survivors insurance in 48 countries. Reviews former and present programs in Spain and makes recommendations for the future. Includes bibliography.

INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL. COORDINATING COMMITTEE ON TECHNICAL ASSISTANCE. *Program of Technical Cooperation of the Organization of American States for the Calendar Year 1952.* 58 pp. Processed.

Summarizes the 11 projects in the 1952 program.

LAROQUE, PIERRE. "Social Security and Social Services." *Bulletin of the International Social Security Association*, Geneva, Oct.-Nov. 1952, pp. 317-352. \$2.50 a year.

The text of three lectures by France's honorary Director-General of Social Security.

PARETTI, ORAZIO, and CERBELLA, AMLETO. *Sintesi della Previdenza Sociale: Previdenza, Infortuni, Malattie.* (4th ed.) Naples: R. Pironti e Figli, 1952. 227 pp., and 35 tables. (loose leaf.)

A reference work on Italian social insurance that gives the legal provisions, as of June 30, 1952, for every program. Charts of the main contribution and benefit provisions are supplemented with textual explanations of each program.

"Social Security in Chile." *Industry and Labour*, Geneva, Vol. 9, Jan. 15, 1953, pp. 52-59. 25 cents.

Outlines the 1952 amendments that revise the social insurance system for workers and also set up a national health service incorporating most of the existing national medical services.

U. S. EXECUTIVE OFFICE OF THE PRESIDENT. BUREAU OF THE BUDGET. *The Federal Budget in Brief, Fiscal*

* Prepared in the Library, Federal Security Agency. Orders for the publications listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.