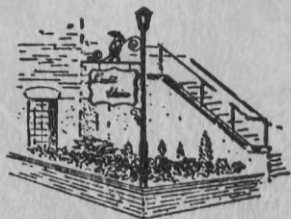


Church and Credit Unions

ADL 8037



**CHURCH**  
**AND**  
**CREDIT UNIONS**



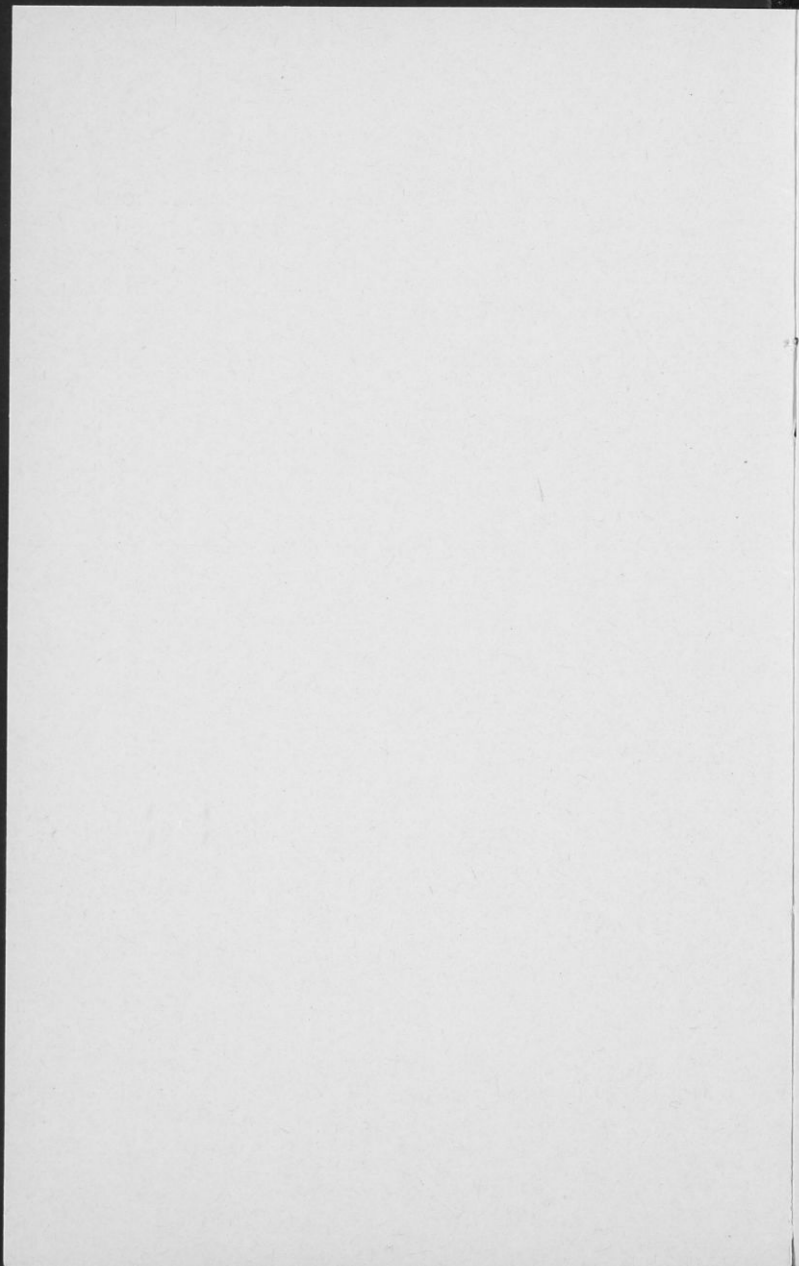
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## On Money

"The chief and most excellent rule for the right use of money is one which the heathen philosophers hinted at, but which the Church has traced out clearly, and has not only made known to men's minds, but has impressed upon their lives. It rests on the principle that it is one thing to have a right to the possession of money and another to have a right to use money as one wills."

Pope Leo XIII: **Rerum Novarum**  
(May 15, 1891)



## **The Motivation For The Parish Credit Union**

In November of 1960 there were 826 Catholic organizations with Credit Unions throughout the United States. No other Church group could equal this figure for Credit Unions in existence. Some of these Credit Unions were small; others had grown greatly such as the Mt. Carmel Parish Credit Union in Pueblo, Colorado, which has assets totalling nearly \$3,500,000.00.

Credit Unions are groups of persons who have joined together by a common bond to promote thrift and to provide provident and productive loans to one another at a low rate of interest—never more than 1% per month on the unpaid balance of the loan. They are dedicated to the ideal of uplifting the economic standing of the individual. The Catholic Credit Union hopes to alleviate some of the financial weight from the members so that those same members, individually, can devote their efforts to becoming better Catholics, better parents and better citizens.

Man is assimilated to Christ in some real way by Charity, that is, primarily the love of God, and secondly, love of man for the love of God. This assimilation to Christ motivates the Catholic Credit Union in its proper sense and gives to the Credit Union its purpose for existence.

The Catholic Credit Union, if it is to fulfill its complete purpose as a work of Catholic Action, must work towards more than savings and loans for productive and provident purposes.

Catholic Social thought must be present in each of its actions. Cooperation, Catholic cooperation must exist.

"No man is an island," spoke the poet John Donne in one of his best known poems.

Indeed today, possibly more than ever before, no man is an island. Man can no longer remove himself, nor can he afford to be apart from the society in which he lives. Man removes himself from his society only by dying, by shucking off the material being from the purely spiritual. Until that time, man needs his fellow man for his livelihood for his existence, for his continued living in the world.

Though each human being is an individual, self-determining person, he is at the same time a member of a community. As such, no person can develop himself physically, morally, intellectually and spiritually without constant interaction with and the help of the other members of the groups to which he belongs.

Each person is incomplete of and by himself. However, men have interlocking needs and talents; therefore, the individual person finds his material completion within the community. The Creator intended persons to share and help each other; to cooperate with one another. It is this cooperation, and not competition, which should characterize human life.

Cooperation is the key to all economic success, social peace and even spiritual growth. Each Christ-

ian, and moreover each person, remains a citizen of two worlds throughout his life—the natural and the supernatural. And the supernatural community of the Church flourishes if there is a healthy social order—in economics, in politics and in social being.

Benedict XV once stated that it was precisely in the field of economics that the salvation of souls was imperiled. This same Church, founded by Christ, is a God-given model of community living and cooperation which must be worked into the natural order of man's social existence.

The Catholic Church was founded with this idea of completion and sharing at its core. We must love God with our whole minds, hearts and souls. And, then Our Lord tells us, "This, then, is the second great commandment, to love thy neighbor as thyself for the love of God." And when Christ gave us the Lord's Prayer, it began, "Our Father, who art in heaven." It is not "My Father" or "Your Father" but "Our Father"—the father of each of us here on earth, living together and sharing in the presence of Christ.

Cooperation is in direct contrast to an economic phenomena known as rugged individualism which sprung up throughout Europe four centuries ago, and which is still so prevalent in much of our own country and all throughout the world today.

This rugged individualism seems to be a cause of a great deal of the strife which is present today in fields of relationships between governments, churches and groups of people. The philosophy

seems to have become, "I can take care of myself, so you just watch out for yourself and, most of all, don't get in my way." It is state against state, church against church, and man against man with "the strongest, the biggest the most powerful, the toughest, going to survive and that's the law of the jungle."

What if it is as Hoffman Nickerson so adequately described as a "Bleeding victory, with the victor falling, impaled and dying over the body of the defeated."

Credit Unions are a reaction against this rugged individualism. And when critics of credit unions sound out against the movement because they claim that credit unions are bad for banking, business and other financial institutions, they should be reminded that credit unions are against no one. No one, that is, except the predatory rugged individualist whose supreme aim is to prey on the wants of his fellowmen.

The movement aims at common cooperative work for all to partake in, for the sake of a decent livelihood for all. It aims at maximum distribution of goods among all men. Its attitude toward material goods is the true Catholic attitude based on the principle that the goods of this earth are here to serve as instruments for the decent living of all men without exception as moral and intellectual personalities. That is why credit unions are and always must be more than an economic movement; they are a philosophy of life.

To achieve Catholic results in the Credit Union



movement, our natural efforts need the guidance and assistance of Christ—the grace of God. If not, it could fall into the philosophy that it should operate and could operate by man alone—saying that man is sufficient in himself and there is no need for God.

Returning to the concept of rugged individualism for a brief moment, it might also be well to note that the development of this rugged individualism went hand in hand with the decline of the influence of Christianity and Catholicity and with the increase of modern paganism. It is immaterial to discuss here whether the decline of the Christian spirit brought about the increase of pagan individualism, or whether the fostering of selfish greed caused the Christian spirit to decline. The fact remains that the two were, and still are, incompatible.

This again, is another fact supporting the belief which realizes that any movement towards Christian ideal, such as the Credit Union, when fostered apart from all relations to Christ, will soon decline. It will, in spite of its manifest idealism, be in the realm of the material and go the way of all flesh.

Today the world is faced with grave problems. The ideal of the Credit Union Movement in general, and Catholic Credit Unions in particular, is the same ideal which must be fostered if these problems are to be solved. There must be a return to the recognition that all men are brothers under God and through Christ.

It is this ideal that is the greatest asset of Credit Unions and the highest goal for which they must

strive. This factor is much greater than the great number of members or dollars that are in Credit Unions across the country. Or the fact that most pay a dividend and sometimes an interest refund, or the low rate of interest, or that loans and savings are insured, or that loans are often made to persons that can't get a loan elsewhere. These are of secondary importance.

The primary importance is that man is helping man, and not doing it for profit or fame or exploitation, but because he is his brother under God the Father, through Christ our Lord.

It is necessary that man return to and continue to help man, and to realize that this is not only his right but his duty. Man needs to help and to be helped. And he needs to retain his personal integrity and dignity while he is being helped.

Human reason is becoming more and more aware of this. It is becoming more widely recognized that the rights of man as a human and civic person are not enough; he also has social rights, the rights of a person engaged in production and consumption—rights as a workingman and as a buying man.

Credit Unions, particularly Catholic Credit Unions, must present vastly more than good financing. They must be a moral force to help the individuals live and purchase realistically within their economy. They must encourage thrift in the fullest sense of the word by discouraging needless and improvident spending, and by encouraging saving in a practical manner. But, they must be even more. They must

be instruments of Catholic Social thought, integrating the ideal which they bear into every action. They must benefit the community of the Church by integrating these same ideals into the members they serve who are members of that same community.

The spiritual, moral and economic spheres in the everyday life of man cannot be totally separated. Christ Himself pointed the way for us. He not only expounded the moral law and unveiled the truths of Revelation. He also fed the hungry and cured the sick. We can do no better than to imitate our Divine Model.

If in Public and Private life, religion is in part ineffectual today, it is because our lives are so departmentalized. Religion is confined to certain exercises and practices and to certain times. Needless to say, such ways are wrong and reprehensible. Catholicity should form and influence our **entire** lives. Does not the Catholic Credit Union in the parish represent an admirable step towards achieving this goal?

Pope Leo XIII encouraged the formation of societies and associations for helping each individual member to better his condition so far as he can in mind, body and property.

The key to all of this is active participation. In our worship we pray better if we actively participate; in politics we govern better if we actively participate. So, too, we handle our financial affairs better when we actively participate in controlling our money according to its intended use.

Perhaps, it can be summed up in the problem occurring from fences. Today, there are all sorts of zigzagging and crisscrossing fences running between races, creeds and nationalities of the world. At the same time, due to improved transportation and communications, man is physically closer to other men than at any time in history. These opposing forces are completely antagonistic to each other. The fences must come down. Modern progress and development have made the world a neighborhood—it is the God-given task to man to make the world a brotherhood through Christ. In the Catholic Parish Credit Union, we have an opportunity to begin accomplishing this.

Catholic living is total living; Catholicity is a total way of life . . . not merely a series of high sounding platitudes. And it must be carried into every facet of life of the Catholic layman—in his work, in his recreation, in his family life, in his credit union.

## **The Growth and Operation of a Parish Credit Union**

Pueblo, Colorado is a city situated at the foot of the Sangre de Christo (Blood of Christ) range of the Rocky Mountains. To the East of the city stretch the Great Plains of the Mississippi.

The Pueblo Plant of The Colorado Fuel and Iron Corporation sets the tempo for the economy of the city. It is primarily an industrial town.

In 1942, CF&I was operating at full production because of the great need for steel by the Armed Forces engaged in World War II.

In 1942, a small group of persons gathered in the rectory of Mount Carmel Parish to culminate months of discussions by applying for a Credit Union Charter from the State of Colorado. The urging to form a Parish Credit Union had come mostly from a Jesuit priest and, at the time, assistant pastor at Mount Carmel, Father Charles J. Murray.

By the end of 1960, assets of the same Credit Union, Mt. Carmel Parish Credit Union, totaled \$3,382,332.04 and by now have passed the three and one half million dollar mark. Members of the Credit Union have grown from the small handful of founders to 5545.

In the span of 18 years, Mt. Carmel Parish Credit Union has become a proven financial success in the Pueblo community. It is also considered one of the outstanding Parish Credit Unions in the United States.

What is a Credit Union? How does a Parish Credit Union which has grown so greatly conduct its operation? What does Mt. Carmel Parish Credit Union do?

Briefly, the Credit Union idea was born in Flammersfeld, Germany, by the mayor of that small town, William Henry Raiffeisen. Credit Unions were first fostered and introduced in North America at Levis, Canada, by a legislative reporter, Alphonse DesJardins. DesJardins was also responsible for founding the first credit union in the United States—a Parish Credit Union in Manchester, New Hampshire.

Edward A. Filene, a Boston merchant, was a prime factor in the establishment of Credit Unions in the U. S. He provided capital for the Credit Union movement to become organized and seek favorable legislation, both in the various states and in the U. S. Congress.

Credit Unions are basically groups of persons that have gathered together by some common bond to provide a place where the members of the group can save and borrow for productive and provident purposes at a low rate of interest.

Credit Unions are chartered by either the State or the Federal Government. Policy of the Credit Union is set by a Board of Directors, chosen from the membership. All loan applications are acted on by a Credit Committee and the books and papers of the Credit Union are checked regularly by a Supervisory Committee. All of these persons serve voluntarily without pay.

Many changes have occurred in Mt. Carmel Parish Credit Union since it first opened its doors in 1942. The most significant factor was the opening of the field of membership by amendment to the bylaws in 1949 which permitted all Catholics in the County of Pueblo to participate.

Eleven full time employees now staff the operation of the Credit Union. They are headed by Richard T. Lagerman, a dedicated Credit Union leader who came to the Credit Union in March, 1949. In 1958, Lagerman, together with Clarence C. Bellinger, a Pueblo attorney and Past President of the Credit Union, were named Knights of St. Gregory in recognition of their efforts to elevate the economic status of Pueblo Catholics.

The members of the Boards and Committees are Catholic men from every walk of life in Pueblo, with Father Murray still serving as the Treasurer of the Credit Union.

The offices of the Credit Union are still located in the basement of Mount Carmel Church, even though the growth of the Credit Union has necessitated their expansion many times.

The savings of the members of the Credit Union now exceed three million dollars. A very small portion, but yet a very unique one, consists of the savings of the children of four of the Catholic grade schools in the city. Each Tuesday is Credit Union day at the schools and a representative of the Credit Union stops at each of the schools and picks up the children's savings. Mt. Carmel Parish Credit Union

believes that thrift is more easily learned if taught young.

Loans at the Credit Union are made for many and varied purposes. 5417 loans were made in 1960; for the purpose of acquiring or improving homes, consolidating debts, buying or repairing autos, buying furniture and appliances, medical and hospital bills, vacation and travel, education, clothing, Christmas, strike or layoff, to help relatives or to pay real estate taxes.

Another type of loan made by the Credit Union are educational loans to deserving third and fourth year college students. These loans are made at an exceptionally low rate of interest and are not payable until one year after the student's graduation from college.

A special project of Mt. Carmel Parish Credit Union is the promotion of Parish Credit Unions throughout the country. In the past, a series of pamphlets pertaining to this has been produced and printed by the Credit Union. These are mailed on request to places ranging from Alabama to Washington to Jamaica and across the ocean to Ireland and Scotland.

As a current project, the Credit Union is sending two priests to the Credit Union National Association (CUNA) School for Credit Union Personnel at Madison, Wisconsin each summer.

SERVING PUEBLO CATHOLICS is the theme of Mt. Carmel Parish Credit Union. And their aim is



to serve the over 36,000 Catholics in the County of Pueblo.

After eighteen years the Credit Union has grown greatly, both in size and in serving. It is dedicated to and has as its patrons the Holy Family of Nazareth. And, as it is stated in their 1960 Annual Statement to Shareholders, " . . . the Credit Union pledges its efforts to helping relieve the temporal distress of Pueblo Catholic families, thereby giving those families a greater opportunity and more time to emulate the Holy Family by keeping the ideal of Jesus, Mary and Joseph always before them."

—Thomas A. Edwards

Contact the Credit Union League in your State or Province or write Credit Union National Association, P. O. Box 431, Madison 1, Wisconsin for assistance in organizing a Credit Union. Your inquiry will be welcome—no obligation—no charge.

Presented by **Mt. Carmel Parish Credit Union**

419 Clark St.

P. O. Box 390

Pueblo, Colorado

