

Mr. MONTEITH: Do these credit unions in Nova Scotia come under a provincial charter?

Mr. MACMULLIN: Yes sir.

Mr. MONTEITH: Under what department? Is there any periodical inspection as to their financial position, set-up, and so on?

Mr. MACMULLIN: In Nova Scotia the Credit Union Act is administered by the Department of the Provincial Secretary. That department is responsible for the administration of the act. The registrar of credit unions at the present time is Mr. C. L. Beazley, and working under Mr. Beazley there are inspectors whose duty it is to examine into the affairs of every credit union annually, and more often if they deem it necessary. So each year each credit union is inspected and if the inspector feels it should be inspected more often he is free to do so. The important thing is that it is done and along with these inspections the Credit Union League has two men continually in the field doing comparable work but without any legal authority to do it. They are continuously sitting in with the boards of directors of the credit unions and discussing procedures and helping them frame adequate policies and adequate procedure to promote their credit unions soundly and in a businesslike way.

Between the government and the league we feel we are taking every reasonable precaution to safeguard the growth of our credit unions.

Mr. MONTEITH: Have you had any failures since 1932-33 when you commenced operations?

Mr. MACMULLIN: The only failures we have had in Nova Scotia have been failures which have been due to the fact that in the early days many of our credit unions were established in small rural communities. Mr. MacEachen who is sitting just a few seats from me knows the situation in his particular county where a few years ago we organized credit unions in many small communities. At that time they were flourishing communities with a church, a school, and possibly one or two grocery stores and so on. Today many of those communities are isolated. The people have left. The war years drew them away to the towns and cities. Just because of the drying up of the population in those areas, credit unions have ceased operations. But we have had no failures as far as bankruptcy or anything of that kind is concerned. Of those credit unions which have closed up I do not know of any case where they have not paid back to the investors dollar for dollar.

Mr. BALCOM: Mr. C. L. Beazley is a provincial government officer?

Mr. MACMULLIN: Yes. He is the deputy provincial secretary and registrar of credit unions.

Mr. BALCOM: Are the savings accumulated by these fishermen generally reinvested in the credit unions?

Mr. MACMULLIN: Those savings which the members accumulate in the credit union are invested back in the members by way of loans to the members. In the credit unions we feel that the best investment a credit union can make is in productive or provident loans to the members concerned and we encourage our credit unions to invest as much as they are able in that kind of operation.

Mr. RICHARDSON: They have been operating for about 20 years. What is the average loan say in the last ten years?

Mr. MACMULLIN: I would say it would probably work out between \$300 and \$500.

Mr. RICHARDSON: In the last ten years, what if anything have the chartered banks done in these communities to help the fishermen?