

*Private Bills*

the reasons for the incorporation of this company which I now propose to give.

In the depths of the depression, the people of Nova Scotia turned to self-help as a means of improving their position. Under the leadership of the late Monseigneur Coady of St. Francis Xavier University at Antigonish, the people of my province turned to the co-operative movement as a means of working together for the improvement of their economic and social position. From the very beginning, particular emphasis was given to the development of credit unions which, as hon. members are aware, were originally developed in this country as a *caisse populaire* under the leadership of Alphonse Desjardins in the province of Quebec at the beginning of this century.

Nova Scotia was the first English speaking province to enact a Credit Unions Act providing for proper incorporation of credit unions in 1932. The development of credit unions was rapid and by 1938 they had become very numerous in Nova Scotia. These unions came to realize that they had common problems and aspirations which made it advisable for them to pool their knowledge and their resources in a central organization.

In that year, 1938, the Nova Scotia Credit Union League was incorporated by special act of the Nova Scotia legislature. The purpose of the League was originally conceived as providing a meeting ground for all the credit unions in the province and a source of educational, advisory and other technical services for these credit unions. At an early stage it became apparent that the League could do much more. It was found that from time to time one credit union in the province might have surplus funds when another credit union and its members had need for funds. The League, therefore, made arrangements for the deposit of surplus funds of credit unions and the loaning of such funds to other credit unions in the province. The result of its operations has been to strengthen credit unions all across Nova Scotia and to enable them to provide a more effective service for their members.

Ordinarily and traditionally, credit unions made personal, short-term loans to their members. This is necessary because they must always maintain themselves in a good liquid condition in order to be in a position to honour their obligations to their depositors. From the beginning, the credit union movement in Nova Scotia realized that one of the greatest needs of the people was for funds for mortgage lending on real estate. This need is greatest in the rural areas of the province

where conventional mortgage companies do not ordinarily operate.

This is the most important part of the bill, to make possible the provision of mortgage moneys in areas of the province where conventional mortgage companies do not operate.

Many years ago the credit unions of Nova Scotia decided collectively that the making of mortgage loans was beyond the resources of local credit unions. However, they have made available to the Nova Scotia Credit Union League certain surplus funds beyond the requirements of their immediate operations and these have been available for mortgage lending by the League.

Since the first mortgage loan was made by the League in 1940, more than 700 mortgages have been placed by it in all parts of Nova Scotia. The financial record of these operations has been excellent. In addition, the League and its member credit unions have the satisfaction of knowing that they have provided mortgage services in rural areas where, as I said a moment ago, mortgage loans are not ordinarily made. The League has also developed a reputation for fair dealing with its borrowers. Because of the close personal ties which bind members of credit unions, the League has been able to take account of misfortunes which have fallen upon individual borrowers and adjust their mortgages, without loss to itself, in a way which gives the borrowers a chance to protect their properties and their investments in them. While these instances have not been frequent, they are an important part of the total story of the service provided by the League in mortgage lending.

At present the Nova Scotia Credit Union League and its member credit unions are in a position where almost all their available funds are fully employed in traditional credit union loans. There is no great surplus available for mortgage lending. Since all the credit unions and the League are operated on an extremely prudent basis, they cannot and do not wish to commit too high a percentage of their funds to long-term mortgage loans.

At the same time, the need for mortgage lending by the League is very great. I have been advised that almost daily, the League has to turn down applications for good mortgage loans because it has no funds available. The League and its member credit unions are most anxious to service this need which, I repeat, is felt most acutely in those areas of the province where conventional mortgage lending services are not available. This is the reason for the introduction of this bill.