

CUNA INTERNATIONAL, INC.

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This statement is submitted on behalf of CUNA International representing credit unions in every State of the Union, District of Columbia, and Puerto Rico. Over 20 million Americans belong to credit unions at the beginning of 1969.

CUNA International appreciates the opportunity to express its views concerning certain aspects of the Economic Report of the President transmitted to Congress, January 1969.

GENERAL ECONOMIC POSITION

Nineteen hundred and sixty-eight turned out to be a much better year than expected. The economic boom in business continued through the entire year; the policy of the Government to moderate inflationary forces through the imposition of a surcharge was approved by the Congress; peace talks had started on the war in Vietnam; inflation, however, continued to undermine the value of savings in credit unions and other financial institutions. As President Johnson has stated in this report, "The immediate task in 1969 is to make a decisive step toward price stability."

THE CREDIT UNION MEMBER

More than a million persons voluntarily joined credit unions in 1968. This credit union family generally has stable employment; a mortgage on their home; makes an average of over \$7,500 a year; has very little in readily available liquid assets. Two-thirds of the credit union families are forced to borrow for consumer installment needs. The average savings of these credit union families are low. Most of these members have steady employment. Therefore, they have the problems of maintaining a rising standard of living while paying increasingly heavier local, State, and Federal taxes; at the same time paying off the mortgage on their homes, their installment debt, and, saving funds to educate their children and for future needs.

The continued rise of prices in 1967 and 1968 provided them with a serious challenge. They saw the value of their savings in the credit union and in other financial institutions being reduced by an inflationary trend.

The heart of the credit union is the member. The credit union is created to serve the needs of the member. Anything that harms the member is of interest to the credit union. An inflationary trend that eats away the value of the savings of credit union members and other Americans can only harm these individuals. As President Johnson has stated, "The first line of defense of the dollar is the strength of the American economy." The need for some price stability with economic

(1057)