

*117
Revised
made original*

(Dora Maxwell and Howard Custer)

HC: This is Howard Custer talking with Dora Maxwell Steigman in her apartment in Brooklyn, New York, on April 25, 1966. Well, to start this off, perhaps you might tell us how you first got interested or knew about credit unions.

DM: Well, let's see, I was taking a course on the cooperative movement by Dr. Warbasse at the Community Church where I was working as secretary.

HC: In what community?

DM: In New York and this ^{was} is a course in "The Union and Social Action" and at the end of the course which lasted, oh, perhaps ⁶ week or so, one of the men, a real activist I guess, said when we were breaking up, "Well, now we've learned something about the cooperative movement. This is all very theoretical and fine but where do we go from here." Well, at that point in the development of the cooperative movement in the United States, everybody thought in terms of starting a cooperative grocery store which was practically impossible in New York City with everybody spread out all over the map.

HC: What year was this?

DM: Oh dear, I'm terribly bad about dates.

HC: Was it when you went to school?

DM: Oh, no, I was—you can't judge by that, really, because I never went to school very much beyond a couple of years of high school. I was working at the Community Church.

HC: What were you doing there?

Cooperative Movement

117

DM: I was doing secretarial work and I could think of the date later but its very hard for me to pinpoint a date.

HC: Was it after the Depression?

DM: It was before the Depression; yes definitely.

HC: Dr. Warbasse was president of the Cooperative League at that time?

DM: Yes, he was president and educational director and really the leading person in the whole movement.

HC: He gave the whole course?

DM: That's right. He was doing this all over the country wherever people would listen to him.

HC: Did he talk about credit unions at all?

DM: No, he didn't talk about credit unions at all. They were talking then, as I said, mostly in terms of cooperative grocery stores. And there were little groups here and there that set up buying ^{clubs} ~~co-ops~~ ~~as a~~ preparatory ^{to} ~~thing for~~ setting up cooperative grocery stores and eventually, of course, we had one right here in Brooklyn. It didn't succeed--it had to go out of business after awhile.

HC: Did it go through the Depression?

DM: No, this was after the Depression. I think one of the big mistakes the cooperative movement made in the United States ~~innocently~~ was to tackle the grocery field because this is such a sophisticated--

HC: You are talking about urban co-ops?

DM: Yes, ~~but~~, yes, of course, I'm not talking about farm co-ops. That's a different kind of thing and there was very little of that at that time that I ^{was} ~~am~~ aware of.

HC: Do you happen to recall who the one was that challenged you to do something practical?

DM: Yes, I do.

HC: Who was it?

DM: Let me see, the man who said "~~Dora~~, let's do something constructive; let's not try a grocery store," was a man by the name of ^{Hyma n} ~~Harman~~ Cohen and he said, "Let's start a credit union." Well, ~~dern it~~, nobody knew what a credit union was but he knew because he had had experience with what are called "axias" in Europe which are in effect credit unions of which we have many operating in New York illegally, outside of the law.

HC: This is the first time that I heard of that name.

DM: Yes, a-x-i-a, and I think ~~it's~~ in German it means "share".

HC: It doesn't--sort of Raiffeisen society?

DM: Well, that type of organization, ~~but many of them in this country they brought (the people who came from Europe, different sections of Europe)~~ brought the idea of the credit union with them just the way they brought their other possessions.

HC: Do you have any source of information--publications--about these organizations?

DM: Well, we could find it, I'm sure.

HC: I'm astounded that I never heard of these organizations before.

DM: We spent a large part of time in the early days of my work in the credit union movement to help these axias to reorganize into credit unions so that they could become legally--

HC: Well, does Mr. Bergengren refer to them in his writings?

Page 4

DM: I can't imagine that he would not have, but I couldn't put my finger on it.

HC: I'm astounded.

DM: ~~What happened in New York was to accelerate that particular thing~~ and this *The legalization of these axias,*
~~was years after what I'm talking about now, was that there was a society~~ *I started was accelerated by an incident in*
operating very successfully in Rochester, New York, amongst a group of *Rochester*
Jewish people (middle-eastern Europeans) who were doing very well for *NY*
years and years--until finally they had to sue somebody for an unpaid
loan. ~~and~~ That person hired an attorney who put in a defense that this
particular group was charging an illegal rate of interest which they
were, because they didn't have a charter to ~~charge~~ which permitted
them to charge, six percent discount (or one percent per month) which
was our credit union rate, and he won his case. ~~And that loan was~~
and placed all loans in jeopardy.
thrown out ~~and~~ immediately after that we had a big rash of ~~these groups~~ *axias*

who come to us and ask for assistance. *asked for reorganization as*
or unions

HC: Are these axias groups spread around the country or are they... *there*

DM: They used to be practically wherever ~~they~~ *there* were middle eastern Jewish
groups and...

HC: This is a Jewish organization.

DM: There were others too, but mostly... *Jewish*

HC: But weren't chartered?

DM: Many of them had no charters *of kind* any ~~time~~; some of ~~them~~ had business
corporation charters which did not permit them under New York State
law for instance to charge anything more than the legal rate which is
six percent simple interest.

HC: Did they have a board of directors and credit committee like...

DM: Yes, they operated very much like credit unions and were very successful.

We have buildings in New York City where they ~~have~~ rented out meeting rooms, you know, and you could go into one of those buildings and find 15, 20, 30 of these things operating on ^{different} meeting nights. ~~This is a very~~.

HC: Were there any attempts to reorganize these into credit unions?

DM: There ~~were~~ ^{was} and ~~many of them~~ if I could sit down with Sidney Stahl, we could pick out the names for you of the ones which were axias that turned ^{into credit unions.} ~~in and I think that~~ ^{if we want} we could still do that in New York; ~~we could go over~~ the records.

HC: Well, fine. This is an education already for me. Well then, this Mr. Cohen...

DM: Well, he knew about credit unions through his experience with axias and he said, "Let's organize a credit union." ~~Well~~ In those days under the New York state law you could organize a credit union without a bond of association.

HC: I see, was the credit union act in New York then?

DM: Yes, oh the credit union act in New York is a very old one. I could tell you what the date is.

HC: We always read about Massachusetts as being the first one.

DM: Oh, well, it ~~can't be~~ ^{is not} as old as Massachusetts; ~~but~~ they must be very close.

HC: In 1920.

DM: You've lost me. I'm sorry, I'm no help to you at all; I just don't know.

They were beginning to object to issuing charters without membership ^{retraction} what they called open membership credit unions and we still have a few of them. I noticed in the paper the other day that ~~some~~ ^{one} right here in Brooklyn ~~one man~~ celebrated ~~his~~ 50th...

HC: Of course, we have one in Madison, Wisconsin with CUNA...

DM: Well, even there you have some kind of a limitation.

HC: Yes.

DM: Well, we do have a few left in New York but you can't organize them anymore.

HC: Did you then organize ~~them~~ *one*?

DM: ~~Then~~ what we did was set up a credit union to include--well, we called it the consumer's cooperative credit union which gives you some idea of how...

HC: Before you even had a store?

DM: Before anything. We were organizing a cooperative. We were going to have a store. We weren't aware of the pitfalls ~~there~~ ^{then}, but this gentleman persuaded us that we could set up a credit union

HC: How many organizers were there?

DM: Well, we have ^{must have} the necessary seven people besides *a few more*

HC: How many people were in the class?

DM: There might have been twenty people.

HC: That many of them were interested in ~~credit unions~~ ^{cooperatives?}

DM: Oh, yes.

HC: Tell me a little bit about the Community Church; was this a--what denomination was it?

DM: It was originally a Unitarian church and the minister...

HC: Well, is that the Community Church that is now Unitarian?

DM: Is it Unitarian now?

HC: Yes, it is listed as the Community Churches.

DM: Well, it's the Community Church and the church left the fellowship of Unitarian--no, the minister, you know, John Haynes Holmes was the minister and I was his secretary.

HC: No, I didn't know that. I had forgotten it if I did. I'm a Unitarian, you know...

DM: Yes. Well, when I originally went there, I was the clerk in his office and eventually I became his secretary after some years. But anyway the church stayed within the Unitarian fold but Dr. Holmes himself resigned from the Unitarian...

HC: Well, maybe you know. I noticed on the ~~Hotel~~ billboard a fellow by the name of Harrington was minister...

DM: He's still minister of the church. Dr. Holmes is dead now.

HC: I know Dr. Holmes--but Harrington, his name wasn't on that board and I was just wondering...

DM: Which board?

HC: At the motel, listing the churches.

DM: Was somebody else's name there?

HC: Yes.

DM: I think they were just listing who was preaching the sermon this Sunday.

HC: The last time I was in New York I attended their service and he was preaching then.

DM: There's no doubt about ~~that~~. Don is still a minister of that church. He came a while back while Holmes was still alive and he's been there ever since.

HC: Well, then, this credit union--worked...

DM: This credit union had its headquarters in the Community Church and drew most of its membership from within that group, but it was pretty wide open. I don't remember just what the field was. ^{the membership}

HC: Well, did the cooperative interest in that group continue? They wouldn't have a store but did they do anything else besides?

DM: Well, to them the credit union was a form of cooperative and many of them were convinced as I was that this as Mr. Cohen ~~Harmen Cohen~~ told them--

Mr. Cohen's ~~his~~ argument was that this was the simplest form of cooperative and ~~let's~~ *urged we* try the ~~basic and most~~ ^{this} simple form of cooperative--let's try that type of co-op before we try anything else.

HC: Did he become president or treasurer or something of that nature?

DM: Well, he became one of the officers, I don't know.. *which*.

HC: What was his work?

DM: I don't really know but he might have been a tailor or something of this kind. He was not a...

Not
HC: ~~But~~ a well-read man?

DM: He was a very well-read person. He had difficulty with the language but he was very articulate in spite of the fact that he had difficulty with English. You could understand what he was saying all ~~the time~~ ^{right} and he had something to say.

HC: He was quite a man.

DM: Yes, he was.

HC: What happened to him later on?

DM: Well, he's dead now. He never became very active in the movement on the administrative level; he was sort of a gadfly--he was always ~~peking~~ ^{urging}, you know, in a good sense. He had good ideas ~~and he was talking about his~~ ^{had little} ideas all the time, but ~~was not the kind of person who was administrative~~ ^{ability} or who could do things actually, but there are people who can do this type of thing. This kind of person serves a

very valuable purpose

HC: More power to them.

DM: Yes, he was a very interesting man.

HC: What part did you take in this?

DM: Well, ^{actually} ~~literally~~ I was just a member of ~~it~~ ^{the group.} and it might have been three or four months after the thing started ^{or} possibly six months after the thing started. I don't remember who was the first treasurer, ~~but~~ ^{one} day they came to me and asked if I would be treasurer ~~of the credit union~~ and I was awfully young and I guess easily impressed, I think I might have been flattered, anyway, I said, "Yes," and my life hasn't been the same since.
(Laughter)

HC: You're modest. All right, tell me a little about Dr. Holmes. Was he interested or did he...?

DM: Yes, he was interested, but again he was a talker, you know, a lecturer, and not really interested in the mechanics of the thing. He gave us every kind of cooperation, though, room in the building and so on ~~and~~ ^{must have} ~~so forth~~. As time went by, and incidentally you ~~run~~ ^{run} into the name of Ed Norman in the credit union movement, well, ~~he was a very~~ he was a member of a wealthy family, the Rosenwald family, out in Chicago. He went to Harvard and when he ^{graduated} ~~came out of Harvard~~, he went to work as an assistant to Dr. Warbasse. He was one of these young people who didn't know just where he fitted in ~~and so on and so forth~~, a job ~~just~~ wasn't what he needed ^{unless he could} ~~but he wanted to~~ do something worthwhile. After he had been working with Dr. Warbasse for a while he, Dr. Warbasse, I guess, ^{which} ~~or~~ the Russell Sage Foundation, I don't know ~~how~~ ^{which} directed him toward the credit union and he became active in the ~~credit union~~ movement, ~~and~~ ^{which} he was treasurer--not of ~~this~~ credit union--but of another cooperative

Then he
credit union in New York and ~~as such~~ became a member of the board of directors of the New York Credit Union League--~~that was how he got into it and~~ I don't know how did I get started talking about Ed Norman?

HC: Well, you were talking about Dr. Holmes and his association with him.

DM: Well, as I say, Dr. Holmes was interested in many ~~things~~ *social matters* and interested in the cooperative idea but he didn't do anything beyond making it possible for us to operate in the church and ~~lend~~ *have* a sympathetic interest. He had no great part in the work itself.

HC: Did this other cooperative become interested in credit unions?

DM: Yes, the other cooperative was the restaurant cooperative in New York, ~~the Consumers~~ *it was called* Our Cafeteria, ~~that's what it was called, and they had about three or four cooperative restaurants in New York City.~~

HC: Did they finally fail too?

DM: No, they had a credit union, I don't know if that credit union is in existence today or not, but it operated for a long time, and ~~then~~ their cafeterias were very successful for a number of years; but finally they ~~were not, and they gave them up one by one~~ *due to neighborhood changes. I think they had the* organization is still operating very successfully--but I think they have only one restaurant, but they have several cooperative grocery stores now, supermarkets.

HC: Well, Ed Norman was active in this development.

DM: Yes, he was active in that development.

HC: And the credit union still existed...

DM: He was treasurer of that credit union and through his membership in that credit union became member of the board of directors of the New York

State Credit Union League and was very active and very forceful in that League.

HC: After you became treasurer of your Consumer's Cooperative Credit Union, how long was it before you became--well, how did that--do you recollect--are there any memories of that that might be of interest?

DM: Yes, the--I don't remember how long I was treasurer of that credit union--I'm trying to think--anyway, after some couple of years or so, I don't remember just how long it was, Mr. Bergengren was looking for someone to do some work, in New York primarily. He had had a young man by the name of Mallicoat; you've probably heard him make some reference to him. Basil Mallicoat came from Tennessee, I believe, and he came to New York to do some work in the credit union movement ^{but} ~~and~~ became ill and had to go back home, ~~and~~ then Mr. Bergengren felt he had to find somebody to do this work and among other things, I don't know whom else he talked with, but among other people he talked to Ed Norman, who suggested my name to him, ~~and so~~ Mr. Bergengren knew ~~a little bit~~ about my existence because there weren't too many credit union treasurers around in those days. So he knew about me and he--I don't think he was very happy with the idea of hiring a woman to do this job...

HC: That reminds me of Louise McCarren. When she was going out to Estes Park, he wasn't happy to find out that she was the one the Kroger corporation had decided on to send to represent Kroger. He wouldn't speak to her for awhile. Later, after talking enthusiastically with Mr. Filene, he then recognized that maybe she had something on the ball. They became very, very warm friends. In fact, she's one of his greatest champions right now. Well, before we go on any further, let's go back just a little bit. Are you a native of Brooklyn or where were you born?

DM: I'm a native New Yorker, yes.

HC: And you say you had a high school education?

DM: Two years of high school.

HC: What was your father's business?

DM: My father was a peddler on the East Side on Allen and, ~~you know, the market...~~ St

HC: I'm interested in all human aspects of your life, actually; but I just wonder if you can think of any examples of the influence you might have gotten from your home...

DM: Yes, I know exactly what--how it all happened. My father died when I was two years old; my mother was left with six children; the oldest one was fourteen or fifteen years old, my oldest brother.

HC: Which one were you in this group of kids?

DM: I was way down. I had a younger sister and then me--we were born--my youngest sister and I were born in the United States but the rest of our family was born in Russia and my mother came here with four children.

HC: Your father died in Russia?

DM: No, my father died here. He came ahead and earned enough money to send for his family. This took five years. You can imagine what kind of slavery; he was a push-cart dealer on Allen Street--no, that's not the street I mean--well, maybe it is--over that famous street. It's ghastly--I know it's so wrong.

HC: Famous street where?

DM: On the East Side of New York where the push carts are lined up; he was one of those men. He earned enough money in five years to send for his family which consisted of his wife and four children and, of course, my mother was working in Russia to help support the family over there, too.

Well, when he died, I was two years old and my little sister was six months old. My mother had this fifteen-year-old boy and my sister who was thirteen; they both went to work, et cetera, et cetera. Well, one of my very earliest memories--I know the corner--I know exactly where it was--one of these things that stay with you. As a little child, I went with my mother on the lower East Side and stood on a street corner while my oldest brother was making a speech--that was one of the early speeches made ~~in the labor union movement~~ to organize the ladies garment workers, and as a result of this he lost his job which was certainly predictable. I stood along side of my mother and could feel her pride and her fear ^{her ~~low~~ activity} over ~~this thing that was going on before her eyes~~. Well, this is my background--I had another younger brother who was also very much ^{the labor} interested in ~~this~~ movement--there was a good deal of this in my family, in the older members of the family; but it sort of died out.

HC: _____ got through high school _____.

DM: Well, actually it was rough. My mother had to work and she took various kinds of odd jobs. I remember there was a period when they did sewing at home. There was another period when she was the janitress in the house in order to have an apartment we could live in. It was rough going, believe me.

HC: What was your first job?

DM: My first job was in a factory where they made candy and that practically ruined me for candy for the rest of my life.

HC: Were you making candy?

DM: I don't remember too much about it, but all I do remember was that it was ^{really} kind of a sticky business.

HC: Was this when you were still in school?

DM: Yes, I guess it might have been in the summer, but that was my first job and I got three dollars a week for doing this sticky job. I had various other jobs and then eventually my mother died when I was about fourteen--well, I might have been fifteen. I had two years of high school--no, I had one year of high school when my mother died and I stayed in high school another year, living with my brother ~~and so on and so forth.~~

HC: You and your younger sister were still at home?

DM: Well, we were farmed out. I went to my brother and my sister went to my older sister.

HC: What did you do when you quit high school?

DM: When I quit high school, I also quit my brother's house and I went over to ~~a place in~~ a little hotel in New York, which was called the Junior League House which was set up for women and girls who needed a decent place to live, et cetera. I went there and I didn't have money enough to pay the first week's rent. Incidentally, I took a commercial course in high school. I went to Eastern District High School in New York, so I learned a little shorthand and a little typing but not enough to get me anywhere; I always had the ability to get a job, but in those days I didn't have the ability always to hang on to it.

HC: So you worked there for your room and...

DM: No, I had a job somewhere, I forgot where it was, some office job and I remember distinctly that I did ~~do~~ all right with the stenography because I could improvise what I couldn't get, but the typing was miserable. I could hear myself clicking one key after the other and I ~~might have been~~^{was} fired six or seven times, ~~there and~~^{I would be} stayed on the job a week or so and be

fired and go to another one, but I was better each time and eventually I got so that I was a really good secretary.

HC: The first long-time job was that with the Community Church?

DM: Well, I certainly stayed there a long time--I'm trying to think...

HC: Do you happen to remember how you got there or did you just get the job?
Do you remember how you happened to get started there?

DM: I don't remember how I was referred to this job, probably through an employment agency, but I remember going there in fear and trembling because I had never had any contact with any church and with a good Jewish background, I was terribly scared. It took a lot of courage for me to go up to the back door and ring the bell and go in.

HC: Before this, had you in any of your other activities engaged in what you might call good causes or...

DM: No, not particularly; I probably went to lectures at the Rand School, I remember that.

HC: Which school was that?

DM: The Rand School was the school that was maintained by the Socialist Party in New York City to Teach economics, political know-how, et cetera. Incidentally, one of my brothers was very active there.

HC: Well now, was Dr. Holmes--with Dr. Holmes you must have learned a good deal of philosophy.

DM: I really got a liberal education from Dr. Holmes and the Community Church and ~~my~~ ^{these} associations have colored my whole life. This, incidentally, was probably at that time the most outstanding liberal ~~atmosphere~~ ^{group} in the whole United States.

HC: I'm sure you're right on that. Did Dr. Holmes or did the church otherwise get involved in cooperative activities?

DM: Not in cooperative activity so much but of course they were very active in the pacifist movement. He was the outstanding pacifist in the ^{first} ~~world~~ ^{a radical Socialist} ~~of war~~ and during the Depression it ~~was the one~~ ^{you may or may not} ~~remember you may know that there were these unemployed, the homeless~~ ^{unemployed and} people in the big cities, ~~where they were homeless and starving, but in~~ ^{activities} New York City they were getting organized. One of the ~~things they did~~ was to invade the churches and demand that they be given a place to stay, ~~you know, that they be permitted to stay in the church~~ ^{The churches did not welcome them} and so far as I know the Community Church and possibly the Grace Episcopal Church downtown ~~really~~ were the only two churches that did offer hospitality and opened their doors.

HC: What form did this take?

DM: Well, they came in and breakfast was provided ~~and so on and so forth.~~ ^{at the pews used}

^{Panabaum} ~~It was considered~~ they were considered a very revolutionary group, ~~but they were acting strictly from hunger.~~ ^{the strength} Do you know Dr. Frank Panabaum? Frank Panabaum was the organizer of ~~this thing and he was considered the firebrand and today he's a very~~ ^{I believe} respectable professor at Columbia University.

HC: In what field?

DM: He has his doctorate in ~~political economics.~~ ^{sociology, I believe.} ~~But~~ It was a very exciting time.

HC: In other words the church made the homeless a part of the parish.

DM: Well, they just came to the door and demanded admittance and they were permitted to sleep on the pews. I don't think--you know, it's so limited what you can do for people, but at least you cannot turn them

It was a principle
 away. ~~And that was, incidentally a philosophy~~ of the church ~~was~~ that if
 a tramp, and there were many of them in those days, came to the door for
 a handout, you didn't turn ^{him} ~~them~~ away, ^{you} didn't ask questions, ~~we~~ had a
 fund, a small fund, and ~~if they came to the door~~ we would give them a
 dime or a quarter or whatever ~~it was~~, ~~never turned anybody away~~, although
 we were well aware ~~of the fact~~ that the church was marked as a soft touch,
 and people came with fantastic stories and you couldn't ^{begin to believe them} ~~always do much~~
 more than give them something, without questioning them; but at least
^{we had a little} ~~we did that much and there was a definite~~ attitude ^{— This} and one which I find
 still hangs with me. ~~In this particular neighborhood where I live for~~
~~instance on the fringes there is an area in which we have some flop~~
~~houses way down on the end near the waterfront and these are mostly~~
~~occupied by winos, and they wander up and down our street; here and I just~~
~~feel it's useless but I couldn't, you know, I just couldn't refuse to~~ ^{can't}
~~give them something when they ask for it.~~

HC: At least it does something for ^{the} ~~your~~ spirit.

DM: Well, you know, you just ~~it's one of these things that's~~ inbred. I'm
 well aware that this solves nothing, ~~but this is part of the background.~~

HC: It isn't so much of a problem for the individual as for society.

DM: Well, I'm not sure that that's true, ~~but what has happened is that we've~~
~~been successful in breaking up these areas, but where do these people go.~~
~~Nobody asks this question, but you have to--you know that just because~~
~~they've knocked those places down doesn't mean that these people's--~~
~~their problem has been solved.~~

HC: But you taught this in the credit union movement and this is partly what
 I'm getting at. Very often you'll hear a credit union manager say this

is true--this need is so great but credit unions aren't really set up to handle this sort of thing--this marginal and serious thing.

DM: That's right.

HC: There is some point at which I agree with this and you've just got to refer them to some community agency but the point is much lower than many of them will admit.

DM: Oh, yes--yes.

HC: Well, let's get to the credit unions. Mr. Bergengren sort of came into the picture here; so did he get in touch with you--do you remember your first contact with him?

DM: Of course. I had seen him around on weekends at various times before that so I had a casual...

HC: You mean at credit union meetings?

DM: Credit union meetings, with the Russell Sage Foundation, and um...

HC: Well, tell me about that a little bit. Were you involved in the Russell Sage Foundation?

DM: Yes. Well, you know what the function of the Russell Sage Foundation was in this particular area. They were supporting the bill, the Uniform Small Loans Law, in those times and at that time they were advocating $3\frac{1}{2}$ percent per month interest rates. They did this on the theory that you had to give the commercial companies $3\frac{1}{2}$ percent ^{per month} in order to wipe out rates which, of course, were much worse than this.

HC: And that calls for some legal control?

DM: That's right. Also they were interested in the credit union movement, but Mr. Bergengren was frequently at odds with them. He, first of all, was very scornful of their sponsorship of the forty-two percent laws

and one way in which he always showed his scorn was that they talked of it as a $3\frac{1}{2}$ percent rate ~~whereas~~ ^{called} he always ~~said~~ ^{it was} a forty-two percent interest rate.

HC: How did he happen to come to one percent as the rate?

DM: Well, ~~they were in favor of that~~ ^{I imagine it as part of our inheritance from the European movement}

HC: Well, I mean why didn't they settle on two percent?

DM: Well, I'm not ^{sure} aware of--before my time they had resolved this problem and came to the conclusion that it had to be $3\frac{1}{2}$ percent as a starter which it was. It was a starter, you know...

HC: I mean how did the credit unions settle on the one percent as a practical and a...

DM: Well, I wouldn't be surprised that there too you go back to the early axias in Massachusetts and in Rhode Island and in New York. Those early groups were operating on six percent discount which is of course practically the same ^{as 1% a month} and how they actually got to the one percent per month rather than the six percent ^{discount} I'm not sure.

HC: Well, it's a good round figure.

DM: It's a good round figure. They may have been motivated by ~~the same kind~~ ^{per month} of feeling that people would think that one percent was less than six percent. I don't know.

HC: I want to stop just a little bit. I don't quite get the picture, though, what kind of meetings you were attending that had to do with...

DM: Well, the Russell Sage Foundation was also interested in promoting credit unions, before Mr. Bergengren came into New York State. And most of the credit unions in those days were open membership credit unions and since I was treasurer of a credit union I attended a few meetings of this kind

~~and, you know,~~ called by the Russell Sage Foundation, ~~and~~ I remember one time when there was going to be an election to the board of directors of the New York Association of Credit Unions before the League was organized, ~~and~~ the Russell Sage Foundation was very much worried about some of the people who were getting into the seats of power in this New York organization.

HC: What types of people? Who were they?

DM: Well, there was a lawyer who was--I don't really know what he stood for except that he didn't--he had a business point of view, rather than a cooperative point of view. ^{by force} Perhaps that's the kindest thing I could say. Anyway, the Russell Sage Foundation was very unhappy about the possibility that he might be elected.

HC: The Russell Sage Foundation apparently then had a genuine interest in cooperatives aside from this ado about usurious interest rates.

DM: Well, ^{yes,} ~~they were interested in the credit union.~~ Of course, they were also interested in all areas of social work. They were carrying on a tremendous social work ^{and} ~~program and a research program into various phases of social work.~~ I suppose they still are. I haven't heard too much about them lately.

HC: Well, were you associated with them and attended meetings?

DM: Yes, I went to meetings and I think I was on the board of directors way back then.

HC: Did Mr. Bergengren speak at these meetings?

DM: ^{yes and connected} ~~and in the~~ negotiations between the Russell Sage and the Extension Bureau as to the work the Extension Bureau was going to do in New York

*of the NY
League*

which was very close to the kind of work which the Russell Sage was attempting.

HC: Did Mr. Bergengren take the initiative in trying to solve the conflict there or did the Russell Sage Foundation?

DM: Well, actually, I think the initiative came from the 20th Century Fund because the 20th Century Fund was literally the agency through which Mr. Filene gave us the money. We never got it directly from Mr. Filene.

HC: I don't think this has been too well established.

DM: Well, you see, the 20th Century Fund was Mr. Filene's creation. But I must say he left it awfully independent. They made pretty much their own decisions.

HC: He was on the board but was outvoted many times.

DM: Many times. And of course the same thing happened to him in the credit union movement.

HC: Well, then, when it came to engaging somebody as to the personal contact, do you remember that incident?

DM: Well, Ed Norman suggested my name and at that time I was working for the ^{was + still making} Dennison Manufacturing Company. You may remember that ~~that~~ ^{was} a cooperative, ~~the~~ Dennison was related to Dr. Warbasse through marriage. I believe ~~Mr.~~ Warbasse's sister was Mrs. Dennison--I'm not sure of that--but there is some very close relation and that business was left to the employees who practically ran it into the ground for awhile; they were losing so much business because they were not good merchandising experts.

HC: This was the party favors and that sort of thing?

DM: That's right.

HC: There's one Dennison that also makes uniforms and I was just wondering.

DM: No, this is the paper goods outfit and at one time they were the leading company in the United States and I guess they still are but then the...

HC: What were you doing there?

DM: They were losing ground very rapidly and then they hired a woman to restyle their line. She was a very important person--they paid her, I don't know what--\$30,000 a year, which in those days was a lot of money.

HC: What was her name?

Swarth DM: Her name was ~~Milla Schwartz~~ ^{her} and I went there originally as secretary ~~and~~ ^{assistant}. It is a whole new area, which I had very little actual experience in, but it did--~~I had~~ ^{I had always had a} certain amount of interest in... ~~The office did fine arts~~

HC: Were you then treasurer of the credit union or what?

DM: I really don't remember whether I was still in the credit union or not. I should say ~~that~~ ^{actually} about that credit union that ~~eventually~~ it didn't really become an integral part of the church because the church had such a wide open membership in New York that it became difficult to operate it as a homogenous unit, so ~~we~~ finally arranged to have a ~~cooperative~~ group that was running a cooperative bread factory, ~~another~~ ^{to take} Jewish group in Brooklyn, ~~took~~ over the credit union; I think that it's still operating there.

HC: You don't recall just when you left the credit union.

DM: I don't remember just when I stopped being treasurer.

HC: Do you recall how you happened to get acquainted with this woman?

DM: No, that was purely a commercial kind of thing. I had decided that I

was bored with good works for awhile and I thought I would get into ~~merchandising~~ ^{marketing} and so forth. I had a little feel for ~~I don't know what~~

~~I don't know how to say it.~~ ^{design & decorating.} My husband, you may remember, was an architect & I was learning from him.

HC: This is kind of a natural reaction, too, I think.

DM: So I went to work with her and her job was to redesign the line.

HC: One of the things I think that makes credit unions so satisfying is that you tend to get away from the what I call the flag-waving cooperative. That was Mr. Bergengren's idea--the practicality of the brotherhood of man. Our problem now is that we tend to go from one extreme to the other. Good works are wonderful--I wish we could get more of them. So--Ed Norman told Mr. Bergengren about you...

DM: Yes, and Mr. Bergengren called me up one day out of the blue sky. I hadn't heard from him in a long, long time or had any contact with him, and he invited me to lunch. I went to lunch with him and, ~~as~~ ^{and did steadily} you know, Mr. Bergengren could talk all during lunch ~~steadily~~ without making any very definite points, so I wasn't sure ~~what he had in mind~~.

HC: If he was going to do it the way he could, he liked to walk back and forth waving a cigarette to emphasize his points. (Laughter)

DM: ~~He was walking back and forth, just the same, but he was sitting at the~~
~~table.~~ He did finally get around to asking me whether I would be interested in doing this work and I said I would like to think about it. So I think about a month went by when he called me up again and asked me to lunch and again we had one of these conversations where we went back and forth and finally he did ask me if I had thought about it and would I be interested and I said, "Yes." So he went back to Boston and did nothing ~~and~~ ^{another} about ~~a~~ month later he came back to New York and ~~he~~ called me ~~up~~ on the telephone--I've always remembered this because I think it was so amusing--he called me ~~on the telephone~~ and said, "Do you have anything to say to me?" and I said, "No, not unless

you have something to say to me," and he said, "Well, let's go to lunch."

So we went to lunch and I listened some more. Incidentally, I used to have a very peculiar reaction always with Mr. Bergengren. After I had been with him for awhile, he did most of the talking. ~~I don't think I had to say any more than that.~~

I would come home with aching vocal cords, literally. I have never had this happen before or since but I really would be tired in the vocal cords from listening to Mr. Bergengren.

Well, anyway, we had lunch and then he said that he had an errand and ^{would} ~~that~~ I ~~should~~ come along. ^{about the time this was taking} I was worried because after all I was working and had to get back ^{to my job} but I went anyway.

We walked down 42nd Street and into the building at number 66 I think it was and upstairs

and he reached into his pocket and flipped out a key and handed ^{it to me} ~~me the~~ key and said, "This is your office." (Laughter) That's how I got my job with Mr. Bergengren.

HC: Well, did he tell you what he was going to pay you?

DM: Yes, then ^{we went} ~~he came~~ in and the ^{Office} ~~thing~~, of course, was all set up because Mallicoat had been in this office before me and so it had been sitting there idle just waiting for somebody to take over. ~~So~~ he told me what he was going to pay me and he muttered something or other about it being awfully high but I discovered afterwards that it was not high compared to what he was ^{really} ~~prepared to do~~ ^{if I hadn't accepted it.} ~~in other, you know, similar situations.~~ That didn't bother me too much. Then the thing that happened after that which was really appalling as I looked back on it afterwards: he gave me no instructions of any kind, except one, and this was (he told me about the New York Banking Department which was a really desperate set up; the man who was the Commissioner of Banks eventually went to Sing-Sing which gives you some idea of what we were up against) and Mr.

Bergengren's instructions were, "You are to get charters from the New York Banking Department. It isn't going to be easy, but if they say they want seven red-headed men with blue eyes to sign these papers, you're to go and find those seven red-headed men and if they don't all have blue eyes on the first set of papers, look at them carefully and eliminate those guys and start over again." This is literally ^{almost} what we had to do. ^{The Banking Dept} They were very particular and ~~very~~ antagonistic and determined not to ^{issue} ~~have~~ any charters. They used to--Ed Norman tried to organize a few credit unions on the volunteer basis before I was there and the first time I went into the Banking Department, they pulled out a drawer and showed me the applications. They had done nothing with them.

HC: What did you do about that?

DM: Well, I used to go down to the Banking Department and literally have to ~~school~~ ^{school} up my courage to open up the door and go in. The Banking

Commissioner sat in a huge room with his back to the window so that you ^{with the light in your eyes blinding you} were facing the window. These huge windows were always a terrible disadvantage, ^{this enormous} and you had to walk across the room towards this guy and in each corner of the room sat a thug. I didn't know they were thugs at ^{first} the time but later on I discovered they were not only thugs, they were armed. They sat there with pistols and ^{watched} they did nothing. They just sat there. This, you know, was ^{fantastic} ~~absurd~~... ^{not conducive to relaxed effort}

HC: And you had to bring your applications in to him personally?

DM: Yes, that's right and then you would have to go and inquire about ^{back} what happened to the ^{application} ~~apple~~ ^{face} ~~was even worse and~~.

HC: Did you organize any credit unions?

DM: Well, the first credit union we organized, I think, was the Brooklyn Post Office and that one--I have forgotten how long it took us, six months or maybe eight months, to get the charter--but we got the charter by a

one after another because they
process of eliminating the names of people whom they said they didn't
wouldn't tell you which one was they objected to.
want without telling you why they didn't want them, so you took a name
We submitted that charter probably five or six
~~off and substituted another one and brought it back in again.~~ *times*

HC: You don't have any ideas how you finally won out?

DM: No, it was just a matter of persistence. It was a question of who could stick it out the longest.

HC: How long was this guy Commissioner?

I don't remember
DM: ~~He must have been.~~ *worder* His name was Waters. *He eventually went to jail*

HC: How many credit unions did you organize under these conditions?

DM: Well, we worked under those conditions for a long time because even after this guy went, there was still a very hostile situation. The whole business of going to the Banking Department was just...

HC: It must have been very discouraging--to go to a group and encourage them to...

DM: That's right. For instance, even the papers we used to have to file, the application papers, the reference papers, were the same ~~ones~~ which were prepared for banks to be organized. Now you can just imagine what those were like. Great big enormous things, asking questions which--no
could really answer. We had no
organizer of a credit union had ~~any~~ financial standing which we could
bank directors. these forms
put down on paper that meant anything on these huge forms which were devised for--but they had a big supply of ~~them~~ and it was several years before we could get rid of them.

HC: Well, how did Mr. Bergengren react to this? He understood?

DM: Oh, yes, he was well aware of this.

HC: He must have been impressed by what you did actually.

DM: Well, I think--I think he was ^{pleased.} ~~certainly impressed.~~

HC: Did you find him, well, difficult to... did he try aggressively...

DM: No, no, on the contrary, he was--my point was that he gave me almost no instructions and he left me very severely alone, ~~and seriously.~~

HC: How long would you say it was before you organized the first credit union?

DM: Well, it might have been six months--I really don't know. We had several applications in but before--it took at least six months to get this Post Office one started.

HC: You had to keep going through this same rigamaroll of going through the door and going up...

DM: Even getting the forms

HC: What would the Commissioner say to you when you came back?

DM: It's hard for me to think, first of all he talked in a--he was--well, he'd make disparaging remarks about the credit union itself, you know. This ^{Compared to banks, etc} was a little picayune thing and so on and so forth and ^{they made it clear} ~~we've got important~~ ^{They} things to do, ^{I think they are a nuisance} ~~you know, and this is just something that is annoying to us.~~ ^{had}

HC: It's notable that he would even take the time to see you...

DM: Yes, that he did do and I must--they didn't have a separate section on credit unions in those days. You see, later on they had a separate division that dealt with credit unions and you then would find it much more difficult to get to the Banking Commissioner.

HC: After awhile then you were sent further afield.

DM: Well, I wanted to tell you this. Mr. Bergengren had two ideas in setting up this job in New York. One was to get new applications. The other was to get the applications outside of New York City in the upstate area,

because most of our credit unions at that time were in New York City; they were the open-membership type credit unions and they were largely controlled by the Jewish groups. Being Jewish myself, I was sensitive to the fact that he wanted credit unions outside of New York and away from this influence, but I was also very impressed with the fact that never in all my experience with Mr. Bergengren did he ever refer to these groups as Jewish groups or imply that it was a problem because they were Jewish. His whole interest was the fact that they were open-membership credit unions. They had the dominant role and they were not the type of credit unions that he was interested in pushing in the first place, but aside from that, he didn't want any one group or any one geographical area to have control of the State of New York. So my work was to get out of New York, to get out into the...

HC: Of course, it was a state-wide problem, as far as commissioners...

DM: ~~Yes, so far as the commissioners were concerned,~~ ^{it} was a state-wide problem.

HC: Did you travel quite a bit outside of New York?

DM: I did much of my work outside of New York City, ~~up in Buffalo.~~ ^{The rest of the} We did a lot of work in Buffalo and in ~~that~~ upstate area. We organized credit unions for teachers in Rochester and a post office credit union in Rochester.

HC: These were all field-of-membership groups.

DM: Yes, practically all. ^{And} in Buffalo they still have a credit union which was originally an axia in those days which we reorganized into a credit union.

HC: This was a self-imposed policy, not by the Commissioner's Department--

the field of membership? Mr. Bergengren in other words was concerned about this?

DM: That's right. We were not asking for any open-membership charters.

Certainly the Extension Bureau was fully convinced ^{at that time} that this was not

the happiest form of credit union. ~~Although we have many~~, I'm not

sure that ~~that is entirely a good idea because certainly in some~~

~~commu~~ many hundreds of communities in the United States, thousands

of them, I'm sure, could do a good job ^{with these open ones.}

HC: I have one more question. I know El Watkins used to make the point that it was quite true you could work side by side with a man for fifty years and know less about him than a good outgoing interviewer might know in a half hour.

DM: Well, of course, we all have many credit unions throughout the United States in small communities...

HC: Well, I think in Madison you go down State Street and store after store doesn't have more than five or so employees.

DM: But not even in cities like Madison where I'm sure they'd work, but there are so many small communities that don't have banking facilities at all.

HC: My impression of New York was mostly a conglomeration of small communities.

DM: That's true, true enough.

HC: So you could make the field of membership to serve them.

DM: We could. We have, a number of them.

HC: Do you have a number of community credit unions?

DM: Oh, sure.

HC: Around the country we have credit unions in a community serving several

plants--I mean unrelated plants.

DM: Incidentally, Rhode Island is another state that has quite a few open-membership credit unions operating very successfully.

HC: Well, then, how long was it before you were going further than New York's boundaries?

DM: Well, I don't know--it might have been 1932 or '33. When did the Federal Act come in--'34. That's probably when it was. Mr. Bergengren came to me one day and asked me how I would like to work in New Jersey and Pennsylvania and I didn't calculate very well ^{where} and I gave him my answer. What I said was, "Well, if I have to go out of town, it doesn't make much difference if I go to Buffalo or if I go to Pittsburgh." But, I discovered before long that it did make a lot of difference, because I had to go to both Buffalo and Pittsburgh, ~~so that I was kind of busy.~~ However, this was not a bad territory, because I could always come home weekends. If I had a free weekend.

HC: Well, now let's see, the National Association was established in '33, I mean '35, but you had a pretty wide territory before then.

DM: Well, Pennsylvania, New York and Jersey were ~~mostly~~ mine; occasionally I went to other places but not too much.

HC: I was trying to remember the first time I saw you which was when you and Tom Doig came to organize the Greenbelt Credit Union. That was in '38. Your field then extended...

DM: Probably didn't have any boundaries. By then we were organizing leagues and we went all over. I even went to the West Coast to organize leagues, ~~but Indiana, Pennsylvania, and all these leagues down there...~~ ^{wherever} *they were being built*

HC: Can you think of any other what you might call revealing or interesting incidents about Mr. Bergengren, stories or anecdotes which might reveal his character?

DM: Well, one of the things ~~that I find that always interested me about Mr.~~ *stands out clearly*

~~Bergengren was that although at times for instance he talked against the cooperative movement, at times in a way it was very disturbing to~~

~~me. If you studied what he actually did as against what he actually said you discovered~~

~~talked about he never tampered with the basic principles of the cooperative idea in the credit union—never touched them—which is very significant because he had every reason for trying to change things and this is very significant I think in view of what happened after~~

~~Mr. Bergengren. There has been some tampering with things which are~~

~~basic and this I think is the outstanding thing about Mr. Bergengren~~

~~as far as I am concerned. There were many areas in which he troubled me on a day to day basis but I found that basically he was awfully sound and sincere.~~ *remained steadfast in the end*

HC: You mean that credit unions are basically cooperatives.

DM: Yes, in spite of the cooperative movement ~~at that time was very hostile~~ *which* to the credit unions.

HC: How do you account for that? Was this because it was being organized among industrial groups?

DM: Well, ~~but~~ this was just the point. You know, the cooperative—after Dr. Warbasse retired, there was the man by the name of ~~Frederick~~ *Cedric* Long who was director of the cooperative movement.

HC: Was he before Bowen?

DM: Oh, yes.

HC: Well, he would have to be before Bowen because I knew Bowen and that was after Warbasse.

Cedric

DM: Well, Warbasse was always there as an honorary this or that but ~~Frederick~~
Long was ~~in there~~. *in George*

HC: That name I think I'm familiar with but I hadn't realized...

DM: You must have heard the name.

HC: Yes, yes.

DM: He was a minister at one time and I believe he was, well, I know he was
a pastor but beyond that he was very active in the labor union movement.
He was the leader of that big strike up in Massachusetts in the textile
mills--what did they call that strike? Everybody knows the name of it.
It'll come to me in a minute. ~~how much~~ In Lowell. Anyway, he was the leader of
that group and his--and they were a very militant group. His attitude
was that we were organizing credit unions in non-union shops as well as
in union shops and to him this was terrible and he was very outspoken
about it and he and Mr. Bergengren were at odds ~~on that~~. Well, from
that one point of disagreement, then they branched out and, you know,
it's very easy once you have a basic argument to branch out into all
kinds of peripheral issues. Now there again I think Mr. Bergengren was
very sound. His argument was that we ~~are~~ ^{were} putting a cooperative tool
in the hands of people and showing them how to use this tool properly
and who uses it doesn't matter very much. I can remember hearing him
~~that~~ say if a group of people come to us and ^{wanted} ~~they want~~ to organize a credit
union in order to finance the purchase of Rolls Royces, we'll help them
to do that so long as they ~~do~~ ^{did} it using the cooperative technique. Now
I think this is right and ~~Frederick~~ ^{Cedric} Long was wrong but there was
~~in those days~~ opposition and it lasted for quite a long time.

HC: Now, you mentioned that there were some areas where you thought Mr.

Bergengren difficult and I would like to say that I am not anti-Bergengren myself but I am trying to get at the man and if you had--could you give me an example where you found him difficult?

DM: Well, he was a compromiser. ~~But my point is that when you~~ ^{as you}

watched him in operation, he frequently disturbed you terribly because ^{he} ~~would do almost anything to win a point at the time.~~ ^{he} ~~he seemed to be compromising on basic things, but actually on the really~~ ^{truly} ~~at a later time he would reverse himself with~~ ^{basic} ~~basic things he never moved a hair.~~ For instance, all these things in ^{Shaw} the credit union movement ^{life} ~~as to~~ whether officers should be permitted to ^{or even} borrow ^{or the} and one-man-one-vote ^{principal} business and so many things that have been ^{other basic} changed even now, he ^{was in the right place at the end} ~~just didn't go for any changes in the basic ideas~~ ^{awareness} and I think ~~he was right,~~ I doubt very much that any of the new improvements ^{well} ~~have helped~~ very much. He had a hassle with the Federal government for instance when the law went into effect. First of all, to get the law written as simply as it was, ^{or} ~~of~~ course Bergengren wrote it, but to keep it that simple was a fight all along the line; I'll never forget the first set of bookkeeping forms which the government set up for federal credit unions to use. They were terrifying.

HC: I doubt if the examining division (made any effort to make them simple).

DM: Just terrifying and yet Mr. Bergengren was able to work with those people ^{a comparatively} so that eventually we got ~~it~~ ^a simple set of bookkeeping forms. All this paper work...

HC: Do you think that Mr. Bergengren and Mr. Doig had a basic difference of opinion at this stage of the game.

DM: No, it sometimes appeared so, but I don't think they did, really.

HC: This is one thing that is coming out in my visits very much. Well, what is your recollection of the basic issues at Estes Park? There was an

Illinois delegation that apparently had one set of bylaws as I understand it.

DM: Yes, but I--one of the basic things was Mr. Filene, for instance, objecting to organizing CUNA Mutual.

HC: Oh, and that was at Estes Park?

DM: He voted against it.

HC: Was that discussed and decided at Estes Park?

DM: Oh, yes, he was outvoted.

HC: Is that so?

DM: Oh, yes.

HC: Even then he turned right around and gave them...

DM: He turned right around and gave them the first \$25,000. He said...

HC: What was his argument against?

DM: He didn't think we should get out of our field and you couldn't convince him that this was in our field.

HC: This was at Estes Park?

DM: As I remember--that was one of the things that impressed me more than anything else.

HC: Well, it's very likely, because they apparently went right to organizing this the first thing.

DM: Oh, yes. I mean it was passed and set.

HC: This is the first time, though, that anybody--that those I talked to so far at Estes Park mentioned that this was one of the serious discussions at Estes Park. It seems very logical--it must have been.

DM: Oh, yes. Now, of course, I suppose each person carries away something else.

HC: Oh, yes, sure, that's why I'm...

DM: I was a little naive in those days and what impressed me also about Mr.

Bergengren was that he did his homework so well before a meeting. Things-- they went pretty much the way he had planned that they should go, in spite of the fact that there might be a little opposition here and there, whereas what experience I had had in meetings before ^{with more} was liberal groups who ^{more} weren't ^{could not be} manipulated quite as easily and where people had more--were sure of where they stood, you know, and were able to stand up for their ideas. So this always--at first it impressed me unfavorably and then I began to see that to get things done, you have to do some of this kind of thing. Of course, Mr. Bergengren was a master.

HC: You feel Mr. Bergengren really dominated the meetings.

DM: No question about it. He picked the people who went and he--they, I suppose, were pretty much sold on what he wanted to do.

HC: Do you recall that Leo Kaminsky participated in the discussion?

DM: Yes, I do. I'm sure there were some issues. I don't remember what they were.

HC: Somebody commented that Leo was a good lawyer in this respect, that he had the ability to present the arguments for and against objectively and not care too much how it came out--he just was presenting a case...

DM: Yes, I would agree with that--he...

HC: Do you remember any instances about how you--you mentioned already Mr. Filene--but was he quite active in the discussions...

DM: Not terribly active. He was--the credit union movement was really a revelation to Mr. Filene even though he had been supporting it more or less for some years.

HC: I gathered that from other comments and he apparently went out several times by himself to sort of check on it and he would comment how he was impressed.

DM: And they put on quite a show for him in the Middle West and he enjoyed every minute of it and I think was genuinely impressed with what he saw as an accomplishment aside from the kudos.

HC: Generally, were you impressed by him or not?

DM: He was a very interesting and complicated man and he enjoyed--you probably have heard this many times before--he enjoyed hiring people and he enjoyed firing them.

HC: I heard that about Mr. Bergengren.

DM: Oh?

HC: I mean I know that he enjoyed hiring and firing Mr. Bergengren! (?)

DM: He did and--I was trying to remember--it couldn't have been at Estes Park because my husband wasn't there at Estes Park--but at some meeting later Mr. Filene talked with ^{Stiege} ~~Stiege~~ about me and I have no idea what he really said but he must have put it on really good because ^{Stiege} ~~Stiege~~ came home with the impression of really, you know, he had such an exaggerated idea of where I fitted into the picture here that it was amusing to me because this was Filene's ^{love} ~~you see~~. He loved making people feel important in the process of feeling important himself, I guess. Then by the same token in a public meeting he would turn to somebody and fire them, or--there was a young man at the Estes Park meeting who was a newspaperman; I can't remember his name but he came from somewhere in the Middle West and he was looking for a job which is perfectly all right. He got to talking to Mr. Filene and Mr. Filene indicated he was so impressed and

practically hired the guy; the guy thought he was hired. Then it was up to Mr. Bergengren to tell the poor chap that there was no job, and, you know, this kind of thing. Now what that means psychologically about Mr. Filene, I don't know, but he--no one can take away from him the ultimate things that he did accomplish, you know, which were very successful and very important.

HC: When was the first time you met Mr. Doig?

DM: I think at Estes Park, I think so.

HC: If you were going to compare Mr. Bergengren to Mr. Doig, what would come to your mind--the way they operated, their philosophies, and...

DM: Well, Mr. Bergengren was a very sophisticated, how should I say, Boston-heritage type of man whereas Mr. Doig was a product of the Middle West and had little formal schooling, ~~and~~ ^{he} had a very engaging habit of enthusiasm, the kind of enthusiasm that is suppressed by more ^{complicated} ~~sophisticated~~ people, but he was willing to ^{readily} ~~show~~ what he felt ~~all the time, whereas~~ Mr. Bergengren could conceal his feelings and he could ~~he did as a matter of life and this is the way he was taught to live and besides that, he~~ ^{put on a good} ~~could act when he thought the occasion was necessary to present a front-~~ ^{this would get him whatever} ~~he wanted at the moment.~~ ^{he wanted at the moment.} which was entirely different from what he really felt.

HC: You felt Doig was more spontaneous?

DM: Oh, Doig was definitely more spontaneous.

HC: Easier for Doig to make friends.

DM: He had the gift for making friends, ~~possibly~~ ^{almost} a genius ^{for friendship}

HC: This is interesting because I have come across one story which I won't take the time to tell you where Mr. Bergengren and Mr. Doig put on a show.

DM: Oh, yes, ~~he~~ could put on a show any time ~~he~~ wanted to.

HC: The story you mentioned indicates that Mr. Bergengren, which I have heard too, (was trying to wear you down). If he could talk long enough, why he'd--

DM: I don't think that was deliberate.

HC: Well, maybe not.

DM: I think it was compulsive *as well as deliberate*

HC: Yes. I'm not--I try to stay away from motives.

DM: Yes, but ~~this other thing was a deliberate thing~~. He could make up his ~~mind to switch~~ ^{to} and put on a show for some purpose which was different.

HC: Do you think he was compromising there, or--

DM: No, he was ^{*compromising temporarily*} it was just that he was getting a point. I remember going with him one day to see Mr. Filene ^{*in Boston*} at the time of the federal bill ~~in~~ ^{*at his office*} Boston. We were going to see Mr. Filene at ~~Filene's office~~ and we were walking down the street and he was very chatty as usual and everything was fine ^{*where*} and then we got into Mr. Filene's office and they ~~were~~ ^{*began*} quarreling about something; ~~I think~~ ^{*probably*} the federal bill ~~because, you know,~~ ^{*it*} Originally Mr. Filene was not sold on ~~that~~ ^{*that*}--it was in that period--and Mr. Bergengren put on he was furious ^{*about some point*} and he put on such an act that I was amazed because just a few minutes previous he had been quite happy, ^{*seemed*} and so on and so forth. He stomped up and down and he really was mad, ~~et cetera, et cetera~~. I don't know whether he won his point immediately or not, but the minute we walked out, he said, "How did I do?" And ~~he~~ ^{*he wasn't made anymore*} ~~was just as real~~. He just turned it off.

HC: What did Mr. Filene...

DM: Well, Mr. Filene was mad too, but he was genuinely mad, whereas Bergengren ^{*it*} had just turned ~~this~~ ^{*did*} on. This was what he ~~was going to~~ do in order to win his point. He won it, whatever it was.

HC: How about Mr. Doig--Estes Park, for instance, was he active?

DM: Oh, yes. This thing had been very carefully worked out by Mr. Bergengren and Doig.

HC: You were working with him, too.

DM: Yes, ~~very carefully and Mr. Bergengren had selected him~~

HC: I'm getting a liberal education. Mr. Bergengren in his Crusade gave Tom credit for the idea that this movement should be supported by dues. Now I had gotten the idea before that this was one reason that they were at odds.

DM: No. *Mr B was ambivalent on this issue.*

HC: Apparently there wasn't any division in evidence at Estes Park.

DM: There was. Mr. Bergengren was afraid of the dues thing. He was afraid of putting it to the test. You see he--everything that he had done up to that point, he was in the position of handing out the money. And that ^{we} gave him the power. He was very well aware of the fact that if it got on a dues-paying basis, if it succeeded, ~~first of all he questioned whether it would succeed; and then he was aware of the fact that if it got on a dues-paying basis, it would draw from his hands the power of control.~~ *he would lose*

HC: You're confirming me again. Nobody else I talked to confirmed me on that but I thought...

DM: Mr. Bergengren was too clever and too knowing not to realize what was involved. Nor was Doig innocent about it either. These were two men who knew exactly what they were aiming for and Doig was genuinely interested in building a membership organization with control and Bergengren just saw the handwriting on the wall--he had no alternative--he couldn't go on forever... *but he wanted to hold his power as long as possible.*

on theory however he was well aware that this was right

HC: Well, bless your heart. Okay. I'm trying to keep awfully objective on this so I am letting people tell me, but you're the first one who told me what I thought I should hear.

DM: Well, I don't think there's any other ^{interpretation.} ~~way to see that.~~ People are so interesting, they are moved by so many--Mr. Bergengren believed in the cooperative idea, he believed in democracy, but he found it awfully hard to live with, and he knew when they started talking about membership dues; he knew what he was in for. We've had that in every democratic organization.

HC: It's a big problem. I'm interested in the parallel between the credit unions and savings and loan institutions. Too much of our movement seems to be going the way of the savings and loan institutions. The savings and loan institutions were designed to do for cooperative home building what credit unions were designed to do for personal loans, but savings and loans have already gone.

DM: This is why I have always hung on to this idea about Bergengren and ~~I~~ ^{from the fact that in the long run} am anxious to give him credit for it and ~~that is that he has not~~ ^{he did not let perhaps was not permitted to} compromised with the basic cooperative idea, ~~and he was difficult some-~~ times personally ~~and even in arranging for these principals he was~~ sometimes difficult because he was a natural compromiser and he wanted to win, of course, ~~sometimes~~. But actually when you get right down to it and watch it over the years he ~~did not compromise and he was well~~ aware of what was happening ~~and~~.

HC: As I said, he gave credit to Doig for the idea that dues were important and I have gathered that he had been reluctant at least to go along.

DM: I think he was reluctant only because he knew what was involved so far

as his own personal position was concerned but as far as the principle of this thing was concerned, ^{what was} he knew ~~for sure it was~~ the right thing.

HC: Well, this indicates another thing that I felt that he was very disappointed in his life in that he wasn't able to get to the rapport with the movement which he thought was his due and that certainly was the case in so far as the staff in Madison as I found it when I went there.

DM: This is a very common pattern. People who are evangelists never or rarely ever are good administrators and his problem was not being able to make the adjustment.

HC: Well, evangelists move to control people's reactions. I think it was Bergengren who once said after coming out of a meeting where he spoke, "I had them eating out of my hand."

DM: That's right.

HC: But the next morning after you awake from that influence, you are no longer (moved).

DM: What he was telling them (why he had them in the palm of his hand) was the revolutionary idea that you must learn how to do things for yourself, ^{he often wasn't happy with what they} so they began doing it and ~~he was very effective~~. His problems came ^{were} with the people who began doing the things that he was telling them to do. ^{staring}

HC: Well, on the other hand, Tom told him the same thing but he tended to help him to do it.

DM: Well, because Mr. Bergengren knew practically nothing about the workings of credit unions. He himself used to say, "I organize the credit union ~~and I get on the next train and run like hell before they start asking~~ me questions."

HC: Well, Tom did that, too.

DM: Well, we all did it to some extent, but Bergengren really ran because he ~~was~~. *didn't know the technical answers whereas Tom did.*

HC: I see. Tom knew how to run the credit union. He just didn't want to take the time; he wanted to get on with the job.

DM: That's right. He didn't have the time. I remember one time, after I got to working, I organized the Teachers Credit Union ^{*in Elizabeth*} ~~out of~~ New Jersey (the one that ^{*GUDMUNDSON*} ~~Gunderson~~ is the treasurer of or was); well, my technique--nobody told me how to do this, but in the early days I learned, I developed my technique--it was to organize a credit union, go back and help them, show the bookkeeper how to run the books, and then a month later go back and see what he was doing, but this was a luxury I couldn't keep up for very long. We had to do it in New York because the Banking Department was looking for a chance to find a reason for closing ~~these~~ things up. Well, so anyway, I organized this credit union out in New Jersey where ^{*Gudmundson*} ~~Gunderson~~ was elected treasurer. I didn't know anything about ^{*Gudmundson*} ~~Gunderson~~--he was just a school teacher--and one day Mr. Bergengren arrived in town and it happened to be the day that I had an appointment to go out to Elizabeth, I think it was, to show ^{*Gudmundson*} ~~Gunderson~~ how to work the books. ~~(he had gotten a shipment of books, you know)~~. So I went and Bergengren went with me and he sat while I explained to Mr. Gunderson how to run the books and ~~some~~ ^{*all about*} ~~things about that I have never forgotten.~~ ^{*debts and credits*} ~~One of these was that~~ ^{*✓*} when we left the meeting, Mr. Bergengren said, "I didn't think you knew how to do this kind of thing," and made some pleasant remark about it. Then I discovered that ^{*Gudmundson*} ~~Gunderson~~ was the head of the department in the school

which taught commercial education. He knew more about bookkeeping than I'll ever know, but he sat there patiently and listened to me while I was telling him all about the ^{ABC's} bookkeeping.

HC: Of course, you were being more specific about credit unions.

DM: Well, yes, yes, but you know anybody who knew about bookkeeping would have no difficulty with those books, you know, and then I wouldn't have had to go into all that detail. Actually, when I was the treasurer of a credit union, we didn't even have uniform forms. We just had two column ~~bookkeeping~~ and we had to figure things out--how to do them.

HC: Well, let's get your reaction to one pet problem of mine. I know banks and the F.D.I.C. when we went over to the Federal Bureau with the F.D.I.C., the F.D.I.C. was very much concerned about our failure to worry about the people we had as directors and I myself have felt that many of our problems in the movement now come from the fact that people who were brought in as treasurers and directors in the early days were, in more ways than one, small people. I mean they were ready to do the bookkeeping and they had a little personal egotism and were gratified by being a member of the board or something but had no--didn't have a genuine driving desire to serve the cause of the movement and they were politically minded and as a result--maybe we should have made just a little more effort to encourage the groups to search out people who had the desire to help other people. I don't know how we could legislate this. What do you think? I can remember when Mr. Doig was organizing the credit union at Greenbelt. He said, "It doesn't matter--a credit union is such a simple thing--some group, any seven people signing a charter, could be good directors."

It just happened that I was in a car pool with the person who was elected president and the one who was to be the treasurer and they decided among themselves that they were going to be these officers. And they were, because they spoke up at the meeting. Well, the woman who was treasurer was--I knew her personally much more than him--she had very little character at all; in fact she was later on gotten rid of because she was caught in an embezzlement. So I wonder--this is one of the problems we have now--in leadership, and membership participation, and cooperative activity--even our good credit unions tend to sell the idea of service just like--pretty much like another organization without at all stressing the special credit union qualities--membership responsibility and so forth. Do you think there--is this just inherent in democratic organizations, do you think?

DM: I do. I think it is inherent. I think that we can only build with people as they are. We aren't--in the first place what kind of test could you apply, to figure out...

HC: Well, you couldn't as an organizer, but don't you think the group that is involved might have a little bit better idea, if they were encouraged to--well, I'm asking you.

DM: I think it's a problem--I think where the fault is--~~not in the way they have the time for follow-up. It is actually a~~ *that we didn't*
~~were organized necessarily--although, you know, they could be a little~~
~~trouble to people that they turned out pretty~~
~~more--but it was in the kind of follow-up that went on and there was no~~
~~chance for follow-up.~~
well on an average
they were

HC: Does that mean--the fact that ~~were~~ *they were* there; wouldn't that mean they were committed quite a bit...

DM: ~~But~~ *if* usually you had a handful of people; *for* instance, a meeting would

be called and if it was in a factory, you could be pretty sure it was a hand-picked group. In a number of situations, for instance, I was very well aware of the fact that the union people had been left out--and they were probably the most socially (oriented). I think the miracle is not that ~~we often missed but~~ ^{as many} ~~that is~~ that we have developed some really fine people ~~as we did~~.

HC: I thought of that as I was asking the question. I think you're right.

DM: I think that's the miracle and the thing lies in what Bergengren said in the beginning. ~~This is a tool.~~ ^{It is the} ~~You put this tool into anybody's~~ ^{that counts} ~~hands and so long as they don't compromise~~ ^{people} in the mere use of the thing, certain people are going to come forward ^{to} ~~that~~ respond. ~~Now I don't~~ ^{Nor do I} know any movement where you don't attract people whom you would rather not attract, but they're there. ^{They are.}

HC: Well, if we are going to keep the credit union movement on the whole-- I'm not being just idealistic--I mean...on the whole--from going the way of the savings and loan associations, more or less just good service organizations, but serving people, not getting people to help themselves and getting involved--what would you think we could do about it?

DM: Well, that's the million dollar question.

HC: That's the million dollar question.

DM: ~~That's the million dollar question.~~ I am so far removed from it now. ^{SL}

HC: I mean in general. ^{It would be impossible for me to say.}

DM: Yes. Well, ^{I attended a meeting in Washington in some} ~~I'll tell you what really worries me lately is something that~~ ^{months ago.} ~~I ran into in Washington.~~ The government--the man that talked for Mrs.

Peterson's office, I have forgotten what his title was, he practically said in so many words that either you credit union people hop on to it

for the power
and organize these credit unions ~~in these lower income groups~~ or else we will; and the thing that I was ^{bet} ~~very well aware of was that~~ either we do it and ~~at least help to direct the thing in the right channels or else~~ *if we don't do the organization we would* they'll do it and the credit union movement will get the blame for *in their regard* whatever mistakes they make regardless. The credit union movement is in a very delicate spot right now, I think.

HC: Are you talking there to--about providing outside financial capital?

no, I was talking about organization on a whole
DM: Well, ~~first of all, yes~~; there was a demand on the part of some of the

League of Nations American directors for capital investment on the part of the government. *acceptance only*
They were not satisfied with the idea of ~~providing~~ clerical help and office assistance ~~and all that~~.

HC: They were after working capital. What do you think about that?

DM: We don't have to speculate about it; we have the countries in the world that have tried it and they haven't succeeded. India for instance. *however, I would not be entirely opposed.*

HC: Well, there's the obvious provisions they could make. They could borrow money from other credit unions, I suppose.

DM: Yes, I think the fact that they are already running into the problem that a lot of people that come to the credit union under the present setup think it is government money and, you know, they have to get their share of it.

A Besides from that, they have such, oh, such insurmountable problems in the kind of groups they get. A credit union in Washington, D.C. made, I forgot what percentage but a very large percentage of its loans to people who were on welfare who were being dispossessed. *How can they repay?*

HC: Of course, the credit union--whoever organized the credit union would have to show--they couldn't even call themselves a credit union unless they were operating under the credit union charter.

Page 47

DM: Yes, but they could be operating under credit union charter with government investment, couldn't they?

HC: Well, maybe, but I don't see how...

End of Title 1 (4C-7)

(Dora Maxwell and Howard Custer)

HC: I don't remember exactly where we were. I'm trying to get out of this an insight from your credit union work and otherwise which would help us plan and advise credit union people and, hopefully, to get members actually involved in, not only the feeling of ownership, but in the actual participation--really concerned about who was nominated and elected to the board and really concerned about getting their associates in the field of membership interested in the credit union--a genuine cooperative endeavor, not just a nice convenient service that's being rendered them. It seems to me that this is clearly the problem we have if we don't want to go the way of savings and loan associations.

DM: You know, there has been a tendency as I see it from this distance in the credit union movement to hire experts ^{for one thing} ~~at one time~~ or another. This is probably a good thing, although I can hear Mr. Bergengren being pretty sarcastic about it. What I am getting at is that I think ^{WE could use} ~~if we could~~ ~~get somebody who knows something about semantics--somebody who knows something about semantics who could devise a new word to take the place~~ of education in the credit union movement--^{with a different word we} ~~this is a purely mechanical thing, but you might just be able to avoid the natural feeling~~ that people have, especially adults, that they don't want to be educated ^{and still we know that could really be} ~~from the outside, and then this is the point is that we need education~~ ^{in the membership.}

HC: Of course, going from the Dewey concept that education is primarily the doing of things.

DM: Yes, but this is the type of thing we have been doing for a long time.

HC: No, but have we?

DM: Well, certainly, we have taught people how to ^{handle} the credit union things, —
~~a limited number of them.~~ *at least a certain number of people*

HC: But we haven't involved them somehow in doing them. I mean at the grass roots...

DM: We haven't involved the mass, but we certainly have involved groups of officers, some ~~hundreds~~ of thousands of them now aren't there, that are involved in doing this thing.

HC: Well, I, theoretically, I think, yes; but I wonder if the problem isn't actually--have we? We talk, I mean, I know--I have heard leaders cry out often against the one-man credit union. Now this might be a half-time job or a small-time job, but still it is a one-man credit union; and he may not actually be interested in getting the members or even a small group of people involved because he is afraid of his own...

DM: Well, yes, we haven't perhaps done the job 100 percent, or even 50 percent, but when you're dealing with a mass movement, show me another one where you've whipped that problem completely.

HC: Well, if I felt confident we were making gradual progress toward that, then I wouldn't be so worried as I am, but I think the tendency is the other way.

DM: That's probably due to...

HC: You're talking about education and I agree with you, but I wonder where we start.

DM: Well, certainly what we have done in the past in education hasn't been too successful, ~~from what I judge, you don't think it has been too~~
~~successful~~

HC: As far as involving people in--maybe--I think the large credit unions have succeeded quite well in getting people to come in and present their problems; in fact, I think the large credit unions have been more successful than the small credit unions in getting them to do this--in the making of deposits and in using the loan service. But these are just services and I am talking now about the--in general about controlling and developing and building the use of this service.

DM: Well, I'm not sure that we have to--I'm not sure that it is necessary to be evangelistic about the credit union, beyond the fact that we are rendering the services and doing it according to cooperative ideas. What's world shaking about it? There are much more important problems for people to get involved in so far as their--you know, so far as each individual life is concerned and so far as society as a whole is concerned. Maybe we attach too much importance to what the credit union actually is, in the whole field of cooperative, for instance, ~~and this~~ *And even the whole* ~~in itself, the field of cooperatives by themselves, are~~ *is* not the most important thing in life when you consider the atom bombs and things of this nature. ~~Then you think of the credit union as one little tool in the cooperative field~~ *In this perspective* ~~and maybe it's enough that people do get the service without being too evangelistic about it.~~ *and war* *Cooperative* *getting*

HC: Well, but you, well, we observe I think--well, first of all, we observed that there could be twice as many credit unions and still fill a need.

DM: Well, this, of course, is a matter of emphasis within the movement.

HC: Right, all right, and then within the movement, say that 50 percent of the potential members aren't members; and within the membership a large percentage are just \$5 members and not really using the share balance

systematically--with the investors on one side and the debtors on the other which is pretty much the situation. No, I think we've done a terrific job, but what we are getting at, well, as I would say, the member of a small credit union which is doing a relatively poor job--the individual family--needs the service just as much as the individual family and on the same basis, practically, as the individual family in the large credit union where they have the staff that can do a better job.

DM: Well, this education ^{to the membership} of ~~the membership~~ has to do with reaching down[^] ~~behind~~ ^{with the cooperation of the} ~~with the cooperation~~ preferably, but certainly if you don't get the cooperation of the officers and the directors and people of this kind, then you have to reach down behind them--to the membership.

How do you do it? Gosh, you have to--the credit union movement has never been known to involve itself in other matters ^(social & economic) that affect the members; and until--they are ^{fringing} ~~going~~ it now with Everybody's Money, is that what you call that magazine?

HC: It's a quarterly.

DM: And they are doing it very tentatively there. I don't know what kind of response they are getting but these letters would indicate...

HC: Well, they get quite a few.

DM: But this is a relatively recent kind of thing; there are so many issues that involve the members which are ~~really so much more~~ important to them.

HC: Well. let's get at this a little bit. What is the importance of the credit union? What service or what--if we didn't have the credit union movement now, would there be the compelling need to organize it as there was?

DM: There is as great a compelling need today as there has ever been and it's in the area which we have touched the least at the present time--in all the poverty pockets, wherever they are.

HC: You don't think that the average middle-class group needs it?

DM: Yes, I do, I think they need it, but I don't think it's a burning issue with them. They need it; they've got it, fine. *However there are* ~~If there are~~, for instance, *the poverty areas and* though, as I mentioned before, *Credit unions.* thousands of small communities that need, ~~they are not necessarily poverty areas at all, but they are~~ *small--take,* for instance, the village where my little house is in the country--we do have a bank, but there must be many people there who have no ~~banking~~ credit. *at the bank.*

HC: Well, it seems to me that the credit unions have failed particularly in appreciating the real problem of thrift for the typical middle class family--who are buying a house, raising their children--probably have a very weak insurance program although we know--CUNA Mutual is very sensitive to this fact, but in any event, to expect them to build up large cash reserves in this period of their life is not very realistic, but there is a great need for building up a contingency reserve to take care of expenses that come along and can't be provided for by a single paycheck.

DM: Well, that gets you immediately to the problem beyond the credit union, with these families. Their difficulty is not that they don't have the habit of saving regularly. Their primary difficulty is that they don't have the slightest idea how to spend their money effectively.

HC: Well, so much of their spending is almost dictated by their lives. Actually, the current expenses invariably come up, but they haven't

put aside--some paydays quite a bit more than they get. If they were to make allowances for those sums, they would put aside in the credit union or savings account...

DM: That's not really saving money; you're just saving it temporarily to spend it.

HC: Well, it's saving money in this regard. It has helped to avoid the negative thing that consumer credit involves for that type of what we used to call non-productive borrowing. If you have to borrow for something that you should have provided for, the first time you do it you've helped yourself a bit by borrowing, but after that you haven't because if you haven't paid this before, you're forced to save for it now, plus interest.

DM: Of course, this gets you back to so many things that are beyond the credit union and hinge on the fact that we haven't perhaps been too ^{and} successful in this area which you are talking about because we haven't ^{the real} been willing to get involved in ^A other issues which affect the ^A ~~for~~ ^{lives of} ~~instance, the whole crux of the thing is~~ people aren't paid enough ^{trying to} to actually ~~be able~~ to afford the kind of lives they are leading and to save money at the same time.

HC: But don't you think the credit union could at least help them by counseling them to face up to the fact that they don't have enough. They might then get involved in what to do about it and that might solve the problem.

DM: Yes, I think we could. There is no doubt about it. And I suppose that's what Everybody's Money is ~~all about~~. ^{or should} ^{be doing}

HC: I think we are talking about this when we say that the credit union really has a four-point program: one is savings, one is loan service, and one is education or this type of expertise--of participation--in doing what you can with your money, and the other is insurance to protect what gains you do make so that if you have those four things--they're all basic to your whole life--they're a means to an end; they are not the end in themselves...

DM: Are you, then, for instance, in thinking about these four problems, are you feeling that in the field of education is where we have made the least progress?

HC: Well, I think so. I think our education is somewhat successful, but on the basis of advertising rather than education. Many credit unions very frankly--if they have more money than they lend out, then they concentrate on loans. It's the other way around if they don't have enough, but that's not from the point of view of the members. _____ I still come back to this thing, and I don't know what we can do about it. This really means that we need to get the members involved in making decisions as to what the program should do, and also involved in helping pass on the good news you might say to the other associates. And in any business--and this is a business as well as a "cause"--you either have it well managed or the business fails. So the group ought to be concerned about the quality of management.

DM: Well, I don't think there is any question about that, and probably the big thing is somehow to make the education ^{"palatable"} palatable. I don't know of any mass organization which does this very well. Sometimes they start, *well* ~~you know, in the beginning they get it over,~~ but it doesn't last--it's very...

HC: I think really and I don't want to disparage your disclaimer of a little while ago--I think you really have got your finger on the thing. It probably starts in school--way down in school--this thing about getting members concerned about broad issues; that they become concerned about something that is basic to their whole home life--how their community is run and how the government is set up--the national government, for instance. This whole thing is the skill of putting first things first. It also goes back to the basic tools that these operate under.

DM: You know, when I was working in ^{Cum a} a credit union, I have always maintained my interests in outside things and I used to be kidded ~~about it and~~ chided about it and made fun of and so forth. Then I remember once in self-defense saying, "We ~~can find~~ ^{24 hrs} so much of volunteers in the credit union movement, but if any of our people gave any time at all to an outside organization, ~~this was a kind of--~~ ^{you were a traitor of sorts.}"

HC: Well, I've shared your problem a little bit.

DM: So that, and this I think is basic, that's what's wrong with us--we have been so tied in with ~~this little thing which is~~ the credit union, ^{It's} a big thing, ^{proper} but if you have a broader outlook, it falls into its place. ~~and it has~~ ^{if we} failed to make an impact ^{it was} because it ~~has~~ ^{had} not involved itself in any of these broader issues.

HC: Well, it's a means to an end.

DM: What end?

HC: Well, whatever--I mean sound financial structure and--for instance, if you wanted to support your church you can do a good--any good counseling I think in the credit union program would consider that an important

element in its place--but if you do want to support your church or any other thing, you've got to make allowance for the funds and the time it takes to do that. I think we haven't stressed a lot of things like this which we should.

Counseling
DM: I think Watkins with his ~~conference~~ service hit on a terribly important idea. As time goes on and people have more money, they are using it less and less wisely, especially these young people...

HC: Well, they have more and more choices. When they are poor, they don't have much choice, but if they are not prepared to make wise choices by their education and many of them obviously are not...

DM: I heard something about the outbreak in Watts, believe it or not, that relates to this thing...

HC: I can believe it.

DM: ...that I thought was very interesting because it had never occurred to me. They said that in reviewing what had happened there, *they found the* many of ~~these stores where they sold appliances and what not~~ *sold* were broken into ~~appliances - radios, televisions, etc.~~ *etc.* and of course people took things, but, very significantly, the credit records in these stores were destroyed deliberately and with intent. I heard this not once but several times. I picked up this little bit of information in Washington, not in our (CUNA) meeting in Washington incidentally, but in my meeting of the nuclear group, where they were talking about mass reaction *etc.* ~~and so on and so forth. Now what were these people saying? They wanted to obliterate their credit record on the one hand. (They were well aware of that and many of them were probably way over their heads in debt.) At the same time, they were~~

~~looting all these appliances. Now these people are resenting the fact,~~
~~one of the factors, they are resenting the fact that they are surrounded~~
~~by a world of plenty in which it's very difficult for them to participate.~~
~~They not only stole the thing, but they destroyed forever the records~~
~~which showed if they owed anything for these things.~~

HC: Well, I think you are expressing something else too. I think it is
inherent in a lot of the feeling against creditors generally. El certainly
demonstrated it many times that a good deal of the blame for the misuse
of credit is in the hands of creditors themselves. The borrowers feel
that--they think that the debt was not a fair debt and it was something
they should not have made, that they were misled and misguided...

DM: And incidentally, this is not only true of areas like Watts where the
shopkeepers themselves are on the shady side a little bit. ~~This~~ ^{Probably} You
can go all up and down the ~~line to the department stores and everything~~
~~and there are many businesses, maybe not excluding credit unions, in~~
~~the United States today in the merchandising field who find that the~~
~~credit operation is even more profitable than the merchandising operation.~~
Now this is part--this is the thing that credit union people ~~should~~ ^{could} be
working at if they want to involve the membership. This does affect the
membership ~~much more than other~~ ^{where they live if do you} but you begin treading on ~~these ropes~~ ^{toes}
~~and you've got yourself into a significant situation, which means some~~
~~thing to the members, but you have also got yourself into a situation~~
~~and you~~ ^{where you} had better be able to protect yourself.

HC: Well, like you said earlier--a small group of people who have a real
important point and express it calmly and strongly can have a great
influence.

DM: The Truth in Lending Bill, for instance--they don't have to be an awful lot of people, but if there were enough vocal people...

HC: Well, let's see if I can push my concern a little bit and go to another angle and make it more significant. Is this what we are getting at: the credit union ought to help the members handle their financial affairs, not by dictating or not by exploiting but by conferring and making for shared experience, by helping them put first things first and make quality decisions, but to achieve objectiveness to a reasonable degree. And what you are saying in these other areas is also of interest. First things first as far as--you have to start somewhere and you have to start from where people are--but it certainly ought to be from the basis of certain ideals; I suppose you can be kind of fatalistic about it and certainly this is evident from the Head Start Program--that you almost have to go back to kindergarten--I mean back before kindergarten--in your education program. So at every stage you've got to be where the people are.

DM: If the credit union were going to move out, I mean even to put feelers out in that direction--doesn't it seem almost that--I am quite sure they would have to move out in the whole area of consumer interest.

HC: Well, why couldn't they? I mean, there is still a lot to be done in the field of information and education about the type of exploitation we have been concerned with in the credit union movement.

DM: Well, this is another thing. I mean, I think the theory--in the old days we used to--we made a lot to do about the small loan companies and illegal operators and so on ~~and so forth~~. This all exists today. The small loan companies ^{might} ~~might~~ not be as bad as they used to be as far as

the rates are concerned but some of their practices are pretty terrible, like find a good borrower who pays back on time and keep him on the books. ^{report occasionally} then you go from that into the ~~the newspapers are talking~~ about the loan shark racket and the gangsters who have moved in on this ~~the Costa Nostra~~ (is that what they call that thing?) with this time of day. I'm beginning to forget the important things and names, but I think it's the Costa Nostra. They've moved into this area. Here's a thing that's right ~~on the outskirts of our field; right~~ in our field, you don't even have to move out of it, in which we could do a much better job.

HC: I suppose you don't have to go out of your way to step on toes. I suppose also that there might be some merit in trying as hard as he can to relate the interest of the statesman-type businessmen, rather than just throwing your weight around saying all business is bad, or the bankers are bad or this sort of thing. If the average small-town banker could probably be shown that it was to his interest to have wise buyers and consumers programs and that sort of thing. Credit unions don't make new money but they certainly help people use money more wisely. From the standpoint of the public interest, a strong case could be made for intelligent and sophisticated consumers. I don't think that has been done too effectively. They tend to disparage them by a snide remark.

DM: You mean within the credit union movement?

HC: Well, yes, all over, in the credit union movement. In fact I remember El Watkins when he was editor of the Bridge was criticized severely because he made a remark that affected a particular industry.

DM: Yes, in the credit union movement I don't care which way you move, you'll run into somebody. This is, of course, the kind of thing that Mr. Bergengren

avoided deliberately and sometimes it was almost a case of sacrificing principles, *that we then have to see the balance of* but he avoided it and this is the ~~we have inherited that situation and until we're ready to even in the insurance field--think of some of the outstanding rackets in the insurance business.~~

HC: Yes, and...

DM: We don't have to name names, *at this point* That isn't important.

HC: Well, part of our program planning is quite sincerely planned from the point of view of the insurance companies or societies, rather than from the point of view, directly, of the insured. And up to the point that it is needed to make the insurance company strong, maybe there is some merit in it up to this point at least. They may need a certain amount of reserves and if the reserves aren't provided in some of the more desirable from the consumer point of view policies, they ought to be rewritten so that they will.

DM: They should just make more effort to sell more consumers to provide those reserves...

HC: Right, right...

DM: This has to be where the answer is. I was thinking of the enormous automobile insurance ~~program~~ *business* today. We don't have to name any companies but what is going on in this field is so ghastly. ~~These are related now every time~~—I have found that every time you touch a subject, there is always, maybe not a large group, but there is a small group that responds because of their actual experience themselves and all this falls into a pattern.

HC: Well, in any (group) educational program, certainly in any writing program, what you are aiming at is more interested leaders. Each group has a focal

point. If you can get that one person, that focal point, to influence his group, maybe it's one out of 100 or one out of 1,000.

DM: Yes. But I was thinking as far as the national movement is concerned.

You're talking all the time to the official group, aren't you? It's

practically impossible to reach down below them, ~~by the National~~, and

in the few meetings that I have been in ^{recently I have had} and there have been very few ~~difficulty in understanding just what was going~~

that I have been in in the last ten years. It really has gotten to ^{on} the point where I am not sure what they are talking about.

HC: Do you think it's mental?

DM: Well, I sat in on this meeting one time when that man who is the head of the statistical department...

HC: Polner?

DM: I don't know what his name is; ~~I think he didn't know I couldn't figure~~
~~it out.~~ To be sure it's a technical subject, but I have average ^{intelligence} intelligence, and perhaps I am a little ~~bit~~ ^{impatient} peeved, you know; I couldn't figure out what that man was talking about...

HC: Well, if you couldn't understand him, how did they expect...?

DM: Well, I had been away for a long time. Maybe that was the reason why. Incidentally, when I was out in Arizona, I stopped on the way home to see Linnie Wilson, you remember her.

HC: Yes.

DM: I don't know how long she's been in the credit union, but it might be well worth your while talking to her, and Linnie said the same thing.

HC: You're right, she's a very fine source.

DM: You see, I was awfully sorry to see her leaving; she's retired now.

HC: Where is she now?

DM: She's in Tulsa; she has a whole house which she has fixed up to meet her requirements.

HC: How long has she been retired?

DM: I don't know.

HC: Is she in good health?

DM: Oh, she is in excellent health. She is 75 years old; I was just wondering how long... ~~she's a very fine person and~~ she's been treasurer of the credit union...

HC: I'm not even sure I have ever met her or would know her if I saw her.

DM: She's one of the--well, actually, ~~about now--you know~~, she's--after these years away--my closest friend in the credit union movement.

HC: This is a real good tip.

DM: I think you would enjoy talking to her and--~~what was I going to say about~~
~~her--she's said these things to that she has gotten to the point where~~
~~she--she used to come to all the annual meetings and the credit union~~
~~sent her and we used to play around and get together for all the annual~~
~~meetings... The last time I was at an annual meeting with her--I don't~~
~~remember, but anyway she said that she had gotten this feeling.~~ Now
part of ~~that~~ is that retired people began to lose contact, you know;
~~and perhaps sickness~~, but she had the feeling ~~that~~ after she sat in a
couple of meetings, ^{that} she didn't know what they were talking about. Of
course, when I was down in Washington, it took me a little while to
catch on to what was going on; ~~and~~ ^{but} there it was probably a matter of
government people talking government gobbledegook.

HC: Well, I think a lot of people are sensitive to this. They feel maybe they haven't brought the credit union spirit to this generation and I

think there may be a real strong case to prove that; I think we may not have been doing everything that can be expected and that is what we are trying to do now. What is the credit union spirit as it was demonstrated?

DM: Well, incidentally, I think Orrin is hypnotized by experts and he wants to move to Washington because all the experts are there--and so I don't know.

HC: Of course, there is a need for experts.

DM: Well--I mean there are experts in every field, surely the statistical guy is an expert--in statistics--I assume it--I don't know--I just assume it. But he has no...

HC: We're looking for the credit union expert. That's what we're talking about. What is your big idea, what is the genius of the credit union?

DM: Well, I remember Murray Lincoln saying many years ago that when he was looking for a man for a job, he looked for a man who had the cooperative idea. He could teach him what he needed to know. And I think this is what we are driving at.

HC: "Cooperative" is a little bit of a problem in the credit union movement--what you mean by it. (If you're talking about the cooperative in the lower case, it isn't any problem at all.) But--and I myself feel that the cooperative movement is so involved in its own way, too. I can remember when Jim Proebsting, an advertising man, was brought in by Bowen to advise the cooperative movement. He dreamed up a terrific program saying that you could sell the idea of cooperatives and co-ops so that it would become fixed in everybody's mind that the sign was for quality--something that was really in the consumer interest. And you could do that in such a way that if the word was on a shovel or on a car or on a program or anything, the people would know that it was good

for them. And the very same meeting that considered this wonderful proposal voted against the point it was making. It decided they couldn't sell a tire that had the word "co-op" on it. "Co-op" meant communism. So you had--the Ohio Farm Bureau became Nationwide as far as insurance--. And cooperatives in Wisconsin and Minnesota are Midland--they hardly even mention that they're cooperative--instead of hitting the problem face on--what the word "co-op" really meant and telling it; they could get really good advertisers and not mediocre ones that "follow", to do a job like--well, what Ogilvy is doing for Sears where they really give information; in a generation they could change the image of the word "co-op". Well, I guess the credit union has the same problem.

DM: I think so, too. What you--you see the credit unions originally got in wrong with the cooperative movement; they got off on the wrong foot. The cooperative movement, itself, for many years got off on the wrong foot, because they started with the wrong type of--because in Europe they succeeded, they had to do it that way in this country and it wasn't until they got into other areas, similar areas, but as they got into simpler areas, they drew (and were successful) they drew people who weren't sold on the cooperative idea but were sold on the success of the cooperative.

HC: I think you're right. What has got me started on that point is--I think the cooperative did just exactly what you said--they brought in experts. They knew so many things that weren't so. They were experts in merchandising, and we need those. They were experts in a lot of things; but they weren't experts in cooperatives.

DM: There is another thing to it--they brought in the experts who weren't succeeding in the commercial world.

HC: Well, often that's true, too. (Laughter)

DM: So you've got the wrong experts.

HC: Well, I think there's all kinds of, well, I know the credit union movement has suffered tremendously from instances where they brought in so-called "efficiency" experts...

DM: Well, I've heard about that.

HC: That's a classic example.

DM: There's no doubt about it. You see, this comes from the fact that there are no easy answers and people are looking for easy answers--and there are no easy answers--there is no avoidance of involvement if you start to get involved. You can't say we're going to just put one toe in the water. I remember going to a meeting somewhere up in New Hampshire one time with Ed (H. C. Shanney?) no, Ed Norman--he was the millionaire, you know--and we went to this meeting--it was in some university up in New Hampshire and he said, "Let's go for a swim someplace." I don't know where--and we went in his elegant car down to the beach in a day like May or June--we got into our bathing suits and he rushed down into the water (did you ever try swimming in New Hampshire in May?) Even in the middle of summer you know it's a horrible shock and I get down to the edge and just stuck one toe in and he said, "You--one toe at a time." ~~He was in there...~~ *He was referring to me as*

HC: Maybe you already told me, but what's he doing now?

DM: He's deceased. He was a very interesting person. He could never justify ~~his wealth~~ ^{his wealth} nor could he justify what he ~~was--what he could do~~ ^{did} with his life. He was married at one time to a woman--what was her name--she was one of the outstanding art critics in the United States. A very

the credit union movement

knowledgeable person, but they were divorced. Then he married a chorus girl and he had bouts of living an ascetic life and then going off somewhere to a hotel or a resort and paying \$500 a day for a suite, you know, that kind of thing--and he finally...

HC: Well, let's talk about--you have to throw yourself into it again--I'm coming back to maybe a compromise but certainly it's true that the consumer is all-embracing and that's one of the points that the cooperatives generally make, but don't really sell. For instance, if the local banker and even the local business man really appreciated that, he might be compelled to fight you in specific areas but generally speaking, he wouldn't be unsympathetic to the approach of the cooperatives or the effective credit union.

DM: Well, you know there are an awful lot of people ~~who are~~ ^{who} involved in cooperatives and credit unions, don't really know what they are involved in, and would be horrified if they did ~~know~~. ~~On the other hand, there are people who don't know, who get so enamored with the practicality of the thing, who don't understand the philosophy of it or the far reaches of it.~~ Now I think you have to work on two levels. You have to involve people in the practicality of the thing which was Bergengren's approach and the proper approach. ^{at the beginning.} But we have grown up, I suppose; and ~~now~~ we've got to face up to whether we are going to further involve some people ~~anyway in the ultimate...~~

HC: Well, both Mr. Bergengren and Mr. Doig were very eloquent in getting people to help people or better yet to help people help themselves, but just what does this mean?

DM: The significance of it, so far as involving people is concerned--you do involve a lot of people on that level. We had a lot of--especially in the early days--awfully innocent--I hate to use the word again--

unsophisticated people who were really ~~widely~~ moved by this approach, *but there was no meaningful follow-up,*
~~but you couldn't move them beyond that because then it involved some-
thing that they were, you know...~~

HC: And nowadays they're more sophisticated so they aren't moved that way, but there's nothing that can take the place of it.

DM: That's right, exactly--~~and you can't move into beyond--from the~~
~~practical involvement which is important and which means that you have~~
~~got to go on organizing more credit unions to reach more of these people~~
~~that you were talking about--~~but then if you are thinking in terms of involving people beyond the practicality of the thing, then you must ^{first} ~~first of all~~ be convinced of ^{your} ~~the~~ position; I mean you must be willing to take the consequences of that position--because the consequences will be apparent very shortly. They'll come from within the movement; they'll come from without the movement.

HC: But in carrying that on, you are exploiting a potential which is tremendous--I mean if you face up to that.

DM: Every step that you take, you will reach more people who are affected by this area which you are opening up and moving into.

HC: So in the final analysis, this could be a tremendously revolutionary type of snowball.

DM: It could be if you had the proper *follow through* ~~league assistance~~.

HC: If they became sophisticated in this basic tool level, then that would help them become sophisticated in the use of that tool.

DM: ~~You must~~, ^{the} there is no doubt about it ~~that their~~ primary job is the use of the tool because without that you can't go anywhere. While you're teaching people how to use this tool--especially a movement that has the kind of resources that the credit union has today. I don't know--what's the national budget?

HC: I'm no good at figures either, but I know it's in the...

DM: It's tremendous.

HC: Yes, I know it is. But you have to define between the dues budget and the budget from Employers Mutual and the budget from the government.

DM: Well, take any part--take the dues portion, it's enormous and surely they ought to be--once they have made up their minds that they want to move into some other--move out a little bit into the periphery of which affects people and make up their minds which it is and be ready to stand the gaff that comes--they ought to be able to spend some money in this area in what might look to be a really unproductive area for awhile.

HC: Of course, for a real pioneer, standing the gaff is a real exciting thing.

DM: Yes, you have to find the right kind of people. You have to have a cause--they're not hard to find. They're all over.

HC: I think you're right, but I have to see it.

DM: Oh, I don't think there is any question about it. Look at--I mean, there is one hopeless cause after another that--you'll find a guy.

HC: Do you have any recollections about or do you have any observations about Mr. Doig that are particularly revealing or helpful?

DM: Well, I think he was probably the most valuable person the credit union movement has ever produced to my knowledge.

HC: What makes you feel that?

DM: Well, he had first of all, he had enthusiasm which is a quality which I value very highly because I don't have it myself...

HC: Oh, don't say that...

DM: I'm very controlled. I have learned by sad experience not to show my enthusiasm too much; and I think it is sad. I think people who are able to show enthusiasm--genuine enthusiasm--I'm not talking about the phony--that this is very desirable; it's an enduring quality and it's an enormous tool. Then, of course, he had genius for making friends. In fact, it was his downfall in the end; but it certainly was a beautiful quality. He had a disturbing quality of being very immediate. I learned not to make a suggestion, spontaneously, until I had thought about it a long time; because I found that if I made a suggestion or, you know, made a thought--had a thought--it would be in effect before I had time to move around and refine it.

HC: If you gave him the ball, he really ran with it.

DM: Well, for instance, do you remember CUNA Briefs? I remember we were riding on a train one time out of Madison and talking about something and I said, "You know, it might be a good idea to have a little paper circulating around keeping the managing directors and various people informed about what's going on and so on and so forth." I even thought of the name at the moment, you know--the next thing I knew I was told to get out the briefs and we had to--no more discussion, no more time to think about it or anything and I didn't like that; I thought it needed more thinking, but it was there, and we had to go ahead with it. Things like that. I remember also one time--I am very disturbed about this because it got him in hot water. I didn't feel responsible, beyond

the fact that I had said something about it. But 'way back, I remember saying that we had to do something about the colored credit union down South. They were beginning to set up, thinking in terms of setting up separate organizations et cetera. We had traveled somewhere or another (most of this happened, you know, when we were moving around somewhere) and I expounded on this a little bit, which (Dr. Holmes was a member of the board of directors of the NAACP, I would hesitate to say how many years ago; when it was first organized) and we were involved and so this problem, at that time, it seemed to me we had to do something about it, before it got too bad. Well, the next thing I knew, without any more discussion or thinking about it at all, he got up and made a speech in the national meeting on this subject, and of course he had the Southern leagues on his neck before the meeting was over, before he got out of the room. Now we hadn't--I had thought that thing through maybe more carefully than he had because it was a part of my past background--but that's all he needed to be stirred up about it and then move into it. Well, this is a good quality and it's a bad quality and it used to worry me.

HC: This spontaneous quality is true of one of the most eloquent speeches he made, so far as I know, the one, let my people go.

DM: Yes, well, this is sometimes fatal.

HC: Yes.

DM: Well, so this was one side of his personality and he had--I mean, you didn't have to work on him to get an idea across, if it hit, it hit, and it hit so fast you wished you had kept your mouth shut for awhile.

HC: Yes.

DM: Then the other, of course, he had this genius for friendship, resulting in being able to move people to do things which, of course, is a great quality. I don't think--I never felt that he was as good an administrator as he was in other areas, although I think he did a much better job than Bergengren.

HC: Between the two of them, no doubt you're right.

DM: Then I think he had a fault--it became a fault out of a virtue--he had, of course, great loyalty to people and he had the ability to stay loyal to other people but it just carried in many cases I think to an extent where it was harmful to other people.

HC: Well, strangely enough...

DM: He was a--there was something else I was going to say but I can't remember.

HC: Oh, I'm sorry.

DM: That's all right. He was a very hard worker. I mean--the conditions under which he worked, I don't think any field person would accept today like going off on the road three months at a time without a break and that kind of thing. He had the ability to inspire people.

HC: I was going over in my mind--his tendency to respect the wishes--the democratic desires of the movement--for printed materials, et cetera--even though he didn't agree with them...

DM: Much of that program stuff he didn't really believe in.

HC: That's a real good point--I remember--but the point was the movement wanted it and so he gave it to them...

DM: Yes, and the point was that he had the ability to recognize that a thing

might be good even if he didn't have a feel for it. He never had a feel for Bridge or the education program...

HC: Or the publication program I was involved in. It was only the last three or four years of his life that he began to show any appreciation for it.

DM: That's right. This is absolutely true; and for instance when they had this fellow, Long, from Illinois, editor of the Bridge (Did you ever look at those back issues?) Well, I used to skim over that thing, but I had nothing to do with it, so--now I don't remember whether Long got ill or there was some reason why he wanted--they had to do something about the Bridge--I don't know--and Tom did the thing--which he frequently did--and that was, he asked me to go over the back issues and tell him what I really thought, so I wrote out a long memorandum about what I thought about it, Bridge, and it was very specific about it. (I don't know whether you ever saw it or not.) But Tom didn't have time for this kind of thing, so what did he do--he didn't even read it--he sent it to Long--I was horrified because I could have said the same things maybe a little bit differently, if I had known they were going to Long; and Long, of course, showed them to--what was the name of that man from Illinois who became the president of CUNA?

HC: West. Doc West.

DM: West. Doc West was so outraged at me because Long was his personal friend and Long was a cripple, you know, and he had the best intentions in the world, but he was a wonderful man. But he didn't know anything about the most basic fact in publication, you know. The whole thing just made you go to sleep. And this created a whole situation over a period of time which developed into lots of other things, simply because

Tom didn't have time. He knew something was wrong with Bridge and why he thought I could diagnose this, I don't know. I was there and whatever job he didn't want to do, I did, I guess. That was the arrangement. So I did what I could with it but he didn't bother with it. He turned it over to just the wrong people. Then I edited Bridge for awhile. I would hate to hear your frank comments on that.

HC: I didn't know that. When I came in, of course, Orrin was nominally the editor and Dick Giles had been--no, not editor, Dick Giles had been associate editor.

DM: Well, I wasn't editing it at that time. There was a period in there-- what was it?

HC: Well, I don't know--was your name on the masthead as editor?

DM: I don't really know that. But I know definitely there was--I know there was an executive committee meeting about it and Tom--at one time somebody--well, I don't really know.

HC: No, well, I think your point is good. It's clearly true. In fact, I remember one time, on one program, when I was director of publications for CUNA Supply, and Tom read the minutes afterwards and he seemed to me quite disgusted because I let them buy that program--it was a program I wanted, you know. I hadn't realize he felt that way about it. I might have discussed it with him before but he said, "Okay, go ahead." (It was on the agenda and had been under consideration for some time--I think it was the pamphlet for directors--H.C.)

DM: Well, he had no feel for these things. (Education was entirely a personal thing.) And then, of course, he had the typical little (do I dare say this?) typical little western scorn for, what's the word, for brains.

HC: It's interesting. I came into Madison if anything ear-marked as a Bergengren man at a time when this meant something and it's certainly true, I was prejudiced considerably--I had heard him speak and thought of him and credit union ideals, but that was very quickly removed. It was quite awhile and I guess this was due to many reasons, mostly me, until Tom Doig and I--I would say it was four or five years before we became--we began to appreciate each other. I honestly feel that I appreciated him much more than he appreciated me but toward the end we became quite close, and yet I think this is an indication of his absorption in his work and his work load, but he tried.

DM: I think he was aware of his limitations and...

HC: It's also possible in an instance like that to overemphasize his absorption in his work. I was surprised in the amount of outside reading he did.

DM: Yes, well this is part of it. What is the word they used to use, oh, dear, you know, it used to be very prevalent--"egghead." This is typical Mid-western. I remember another thing in my own personal experience; I found that the fact that I came from New York, let alone the fact that I was married and using my maiden name and all that, was the fact that I came from New York puts people on the defensive all the time.

HC: Well, they're talking about stereotypes which aren't based on any facts at all really.

DM: But this is the way the country felt.

HC: This is the way people think.

DM: And it is yet--in the credit union movement the Middle Western part of the movement was much more vocal than the Eastern part.

HC: Well, when we get off the record I'll tell you a revealing story. Part of the problems of the movement are quite ridiculous because they stress superficial values and as you--the biggest ^{impact} ~~impact~~ I have got out of this talk is that--and I have been aware of it--in fact I have been very aware of it--it's been bothering me--we've tended in our speeches to glorify the credit union movement as something that's just, as such, we should be completely devoted to and would solve all the problems of the world by itself and this is not putting first things first even though it might be the first step and in many instances I think it is the first step.

DM: And this must be our major...

HC: Now, for instance, I think the Catholic Church--many times for the wrong reasons but--has realized that the credit union was the first step toward what the churches_____. I think the priests though that are more successful realize that it should be done for the sake of the human beings not for the sake of the church.

DM: Msgr. _____ that worked in the rural development--their primary interest was population. That's what they were really interested in. Of course, they've sort of changed their tune now.

HC: The two men that come to my mind in the church that I think seem most nearly to be genuinely motivated--I mean properly motivated--were Coady and Ganey. Both them are great men.

DM: Yes. Well, Coady was involved in other things which affected I mean to the extent--that he was an outstanding social worker. He talked my language. I was right there with that man. Now to win the credit union was very important, very significant, but he knew its place. Incidentally,

A. B. McDowell--he wasn't a priest but he was Catholic. Those men were not afraid to tackle other issues which, if you follow the credit union logically, would bring you to these issues. Now it is true that they came to the credit union after they got involved in other things--the church and social work...

HC: Well, so much of our credit union literature now and I think in CUNA Mutual were often talking about the credit union movement and the credit union and CUNA Mutual's tie in it--and this is not--if it is not a tool of the people and whatever they're interested in it's bound to fade away.

DM: One thing that might help to arrive at some answers is to make a study perhaps of a thousand people who had been in the credit union movement for awhile and see what effects it really has had on their economic lives and any other part of their lives. I know one thing that there are many in this area--I'm not saying this because I'm a woman--I know an awful lot of credit union treasurers who stand up in public and take credit for the work they do, but their wives are the ones that do the real work. I'm sure you've run into that and these men, many of them, are quite high up in the credit union movement when actually it's the little woman at home who is doing the credit union job. Now there, we can really put our finger on a thing that has to do with what kind of people we are; and the credit union hasn't affected those men enough so that they are willing to give credit to the people who do the job. Sometimes it's not the wives, sometimes it's some person back in the office who is doing the job.

HC: Of course, this is more of an administrative and personnel problem.

DM: Yes, that's partly it; it's partly a problem; it's a character--a sign that we haven't reached that character point yet.

HC: Well, a good leader, I think, generally speaking, if he is egotistic at all, he is egotistic as to his ability to develop people.

DM: That's one place where both Bergengren and Doig I think shone a little bit. In other words, they pushed other people forward.

HC: They spent a lot of time pushing people.

DM: They gave them an opportunity to serve...

HC: Of course, the whole area of involving the women and especially in dealing with difficult financial problems is something that many credit unions haven't even explored at all. I know El Watkins almost invariably insists upon talking with both the husbands and wives before he hopes to help families reach any conclusions as to what the problems are.

DM: You are aware of the statistics that women spend all the money--they're the ones that spend the money--and we're talking in terms of what we're teaching them or their learning thrift habits and how much we have to do with teaching them.

HC: Of course, the answer won't be very satisfactory until we teach the family how important it is that they work together. It can't be done by simply handling the individual items. The whole package has to be worked on together. Do you have any idea on that?

DM: No. It's practically--it seems to me that--you take the whole business of department store credit. If the women were aware--now in New York City here Macy's Department Store used to have (they never had charge accounts) and they used to have a system whereby you could deposit \$50 or \$100 in your account. Then if you wanted to, you could charge something and if you kept your money there a certain length of time, (since they were set up as a banking--) they paid you interest. Well, a little

while ago they decided that they weren't going to continue this past policy. They caught on to this credit thing and so they decided that they would switch these deposit accounts to charge accounts and charge one-and-a-half percent a month, which is 18 percent per year. And they sent all their customers letters asking them to switch and sign a little paper, you know, honest without going into too great detail. Well, of course, I refused to sign it, but they issued me a charge account anyway. Well, my niece who works for the Board of Education on a high level, I mean she's not a stenographer or anything like that--she's up somewhere--developing education programs for drop-outs. She's a very interesting person; she's been working with drop-outs. She never got the point to all this and she signed it. The reason this came up in conversation was she said, "You mean if I don't pay my bill within a certain date, they add interest?" Now here Macy's is being very honest with this--18 percent per year, for all these other people, but here is a really educated person.

HC: Well, of course, they don't charge interest if the charges are paid within 30 days after billing.

DM: Why, every department store in New York handles charge accounts, without a card.

HC: When they had the regular monthly charge accounts, the interest was being paid.

DM: In some other way, but not on the...

HC: No, you can still get back at them. In fact, that's part of the come-on in this program; if you pay within 30 days, you don't have to pay the credit. The people who are paying credit are paying for that part of the service.

DM: But you know, it's a very interesting thing--the more exclusive the department store, the more expensive type luxury stock they've got, the easier they are on these things--no credit charges; they give you plenty of time. But it's all in the profit.

HC: Sure.

DM: I think we've got an awful lot here.

HC: We have.

DM: I think we've got...

HC: You're all talked out.

DM: No, it's just that I have no answers; I don't know how we...

HC: I'm just probing in my own mind. I don't know what's going to come out of this but something's got to; something's got to if the movement's going to--I agree, it's wonderful what we've done, but we've got to (keep on) or we can go down--I'm afraid that we have already gone over the hump--I think we can back up.

DM: There's a new word that they're using now in all these areas and that is that you have to find a way of involving people. It's no longer an educational job; in fact, that worries me; there's something about that word that's wrong and we ought to get rid of it.

HC: It goes back to John Dewey's point that we learn by doing--well--I don't have any other questions--except what are your memories of Louise McCarren?

DM: Well, she was a very able woman. She was more aware of the implications of the credit union movement than almost anybody else I knew at that time, including Bergengren and Doig.

HC: She's doing a terrific job there now, you know. She has two credit unions.

I was down in Cincinnati for awhile and I was very impressed.

DM: It's unfortunate that--I don't know anything about why she didn't continue as managing director. I don't know whether that was a political thing or what it was; I don't know any more--I probably did know at one time. I saw her in Washington and she seemed, you know, her good old self, bouncy and full of ideas and so forth. I think she was a very able person. She also had the enthusiasm and so...

HC: That's interesting. I attended a meeting, a make-up on in Kiwanis Club down in Savannah, Georgia; they had a minister on the program and his subject was "enthusiasm." He mentioned the word several times, and he went to some length using almost the same words you used--if a person feels something strongly enough to hold it, you might say...

DM: I happen to admire it as a quality because I feel I lack it; and with me, it's a case of having been shot down often enough when I showed any enthusiasm that I learned to be more careful. I think this is very true in this part of the East. We--I mean reservation has been forced on people.

HC: I think you're not aware of the enthusiasm that you express, but it may be more controlled, you might say. There's definitely a vigorous feeling of conviction that comes through in everything you...

DM: Well, I certainly have convictions, too, many of them. (Laughter)

HC: But that's enthusiasm too if it's expressed effectively. Some people, but I know what you mean.

DM: But I have learned to keep quiet when you know there are times when I have had plenty to say, simply because, well, I've been swatted often enough that I learned this is a mistake.

HC: This is something that I think we have to worry about in our whole education system.

DM: That's right, that's right.

HC: We give a lot of lip service to freedom of speech and the need for encouraging it, but when it comes to your particular toe, it just might be stepped on for saying something out of turn. That isn't permitted.

DM: I learned a very valuable lesson from a gentleman in the credit union movement; you probably know him, he was in a very high place and he had a technique that I watched over a long period of years--saw why he went where he did--and that man never said anything in a meeting when a subject was being discussed. He didn't say anything at all until everybody else had gotten through saying what they had to say and then he would synthesize the remarks of the group in the mode of the man who knew the answers.

HC: He was the spokesman for the group.

DM: He formalized the thought. He might have had no idea in the world what to begin with but he--it was an amazing demonstration to me. Now, I've tried this, but... (Laughter)

HC: Well, I always resent a so-called recorder for a discussion group who gets up and reports but pays no attention to what the discussion group says. (Laughter)

DM: That's a different thing. (Laughter)

HC: That's a different thing--no, that's a very interesting technique.

DM: This gentleman is still a bigwig in the movement and he will be as long as he lives because he's got the technique down to a science.

HC: It's not quite fair either.

DM: No, it isn't because--and it puts people, oh, like Doig, or anybody with an idea is _____ it, you know. Now we had a situation where some fellow had a great idea about something to try and they tried and it was expensive and it had almost no results whatsoever and he was griping about it after he and I got back. Well, you know, you've got to try some of these things even if you know--if you couldn't show--and he was very enthusiastic in his work but it didn't go over. So what? One more that didn't work.

HC: Well, I think people like that are so prolific that even if one or two of their enthusiasms are...

DM: I have a friend who is a lawyer and he was at one time very radical, on the left, and got toned down a little bit and now he's connected with a very well known law concern here in New York; his primary function is to form ideas. He's just full of them and this conservative group of men sit around and listen to these ideas and occasionally pick up one or two of them and that's his function in that group.

HC: What do you remember of Elizabeth Lynch? Is she still around?

DM: Well, I understand she is teaching school in Florida somewhere. I think she was an extremely high-grade person. She was head and shoulders over most of the managing directors in her time. She was a hard worker, a very able worker. She was very well versed in the implications of the movement, beyond the mechanics of the thing.

HC: Do you have any examples? Or stories?

DM: I wouldn't--I don't remember...

HC: Well, one of the pictures that comes to my mind--she used to visit us when we were living in Turville Point and I can remember--this has nothing

to do as far as ideas are concerned--but she was just so delighted with the setting and I don't know whether she took off her shoes or not, but she was running around the lawn; she was just delighted.

DM: She was a lovely person and she was, in my opinion, very able and I think she was one of the people who was probably moved out politically, because there was some man ready for the job, you know, she was free to develop and then they moved her out. That was probably what happened to Louise McCarren; I'm not sure. That also happened to Julia Connors.

HC: That's the first managing director in Pennsylvania? Do you think there were any other women who were active in the movement?

DM: Well, there was Miss Gartland, of course.

HC: I have her sister's address, I hope...

DM: Are you going up that way?

HC: No, not this trip because I'm...

DM: I never met her sister. I can't think of any other women who were-- there weren't too many outstanding women, or otherwise. There just weren't too many women. And they never had very much of a chance, and I don't imagine they have yet. I don't see any evidence of very many of them.

HC: It seems that there is a need for more women, not necessarily as women, but as the chief buyers in the home...

DM: There's no doubt about it. Of course, there was at one time an effort to set up a kind of women's auxiliary...

HC: Yes, but that was, I was...

DM: I was terribly opposed to that and I have personally never belonged to

any women's organizations, as such; I don't believe in them.

HC: "Second-class citizens;" it just confirms this.

DM: Except in England, the women's auxiliaries--I think in Sweden, too--but certainly in England, they're very powerful.

HC: Well, they wouldn't need to be (second class) you're right. In fact, I know in our church, we have what we call a Women's Alliance and we had a Laymen's League and just recently the Laymen's League has voted to admit women, too. I like this idea, except it doesn't mean the same thing to me as it does them. I think of laymen as just laymen, not as opposed to the "cloth," and I would like to see the laymen much more influential in the church; but it's still on a sex basis, you know; they're just admitting women into the Laymen's League.

DM: What is the purpose in admitting women into the Laymen's League, unless...

HC: Well, the Laymen's League is an impotent organization and maybe they need... (Laughter)

DM: I see; maybe they do. (Laughter)

HC: It's a little like the...

DM: Right.

HC: Oh, well, no, these---putting fixed faces on people because of color or sex or whatever it is...

DM: Well, I would be opposed to hiring a woman because she's a woman, anymore, you know, as much as I would for not hiring a woman.

HC: That's right although what I would say as far as Negroes, I would go so far as to say that other things being equal, which is an impossibility, you might hire them because of the special circumstances.

DM: Well, I know there was a tendency when I was at my time in the credit

union movement when they were talking about hiring somebody, there would be a tendency to say, "Well, now let's see, we have so many Catholics, and..."

HC: No, no...

DM: Oh, yes, there was definitely a period at that time where they--and I think that's wrong...

HC: Sure. I do too. I don't want to know what...

DM: But they never got around to saying, "Well, we've got so many men, let's hire a woman."

HC: No, no, I would like to see--this thing of putting a picture on an application; I think in a way it's a shame to eliminate that, but for the records it's used, of course...

DM: I have never noticed too much prejudice in the credit union movement on people on a racial basis (except in the South where it's an inherent kind of thing, and probably in the South, the credit union people themselves were probably a little quicker to accept the facts of life than other people) but aside from that, I have never seen any great--oh, occasionally there is a remark or two; there is in any group, you know, "dirty wop" and so forth, but this is mostly habit.

HC: Oh, yes, they all do that at times, "nigger in the wood pile" and so on.

DM: Yes, I did that myself one time.

HC: Somebody was commenting, I forget who the person was now--he did it quite innocently--I think it was Claude Orchard--he was organizing a credit union (Negro group) and he let slip that expression and he was--immediately the person who was chairing the meeting seems to have quickly come to his rescue and assured the group he didn't mean anything; he went on to

organize the credit union. Fortunately there--if you have a very well informed Negro; they appreciate the problem.

DM: Yes. Well I organized a credit union in Pennsylvania one time, I'll never forget it, and in answer to a question I used that phrase and I was aware immediately that I was in a spot. I got out of it somehow, but it was a horrible experience.

HC: I've never been in a position where I used it where it was too serious, but I've caught myself plenty of times.

DM: To get away from your background in these things is very difficult to do.

HC: The very word "nigger" is...

DM: This is something I have never used, well, except in that one meeting.

HC: Yes, but in the context of the _____, it's even worse.

DM: Yes, it's horrible and it shows how far--how ingrained these things are. Even people who are sensitive...

HC: Well, thanks very much. You've been a great help.

DM: I've enjoyed this. I didn't think I was going to. (Laughter)

HC: Well, I looked forward to it. And I realize, but I never realized how much...

DM: It must have been fascinating, going to all these people, around...

HC: All the people are wonderful, yes.

DM: I'd love to hear what they are saying.

HC: Well, you might be disappointed. And this is one of my problems. In every instance I've gotten at least one item which is significant but when you really--like, well--in facing up to the trouble we've had--what is the basic problem? What are we going to do about it? And what ARE we going to do about it to get practical and spark the people and--I

have no illusions as to the limitations of the written word...

DM: Who is back of the idea of doing this?

HC: Well, I think you'll have to give both Charles Eikel and myself credit.

In particular, for the last few years, I have tried to avoid getting involved in administrative details as much as I could; for instance, primarily in my correspondence with policyowner representatives and in my other writings I have worked to help pressure--well, anyway, express the credit union philosophy (in practical terms and moving terms; I've always been headed in this direction...) (Discussion ends off the record.)