



# CREDIT UNION UPDATE

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Government of N.W.T.  
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## Central Updates

The Aboriginal Capital Corporations Program under CAEDS seemed to be the most indicated government program for an investment towards the establishment of the community owned Credit Unions in the Inuit and Dene communities of the NWT. However at present this program cannot contribute towards deposit taking organizations unless they change this policy. Therefore given the special northern circumstances of small isolated communities with no other financial services available we all should encourage our organizations and our politicians to have this rule changed so we can receive the resources to establish the guarantee corporation and the credit union central, which will be much needed to assure viability. Strong support is coming from the credit unions and cooperatives in the south, commitments are being made and we know that we can count on much expertise to get us started in the right way towards our own viable credit union system in the NWT.

Nunatsiaq News in the Editorial of its June 7 Issue urges the NWT Government to provide resources and help towards the development of Credit unions in the communities. The legislation pertaining credit unions is still in place and will need some upgrading in the future, however at this time credit unions can be incorporated under the existing legislation. "The time for consulting, studying and talking is over. It's now time to act." the paper states.

## No One Can Do It for Us...

A credit union is a group of people, who save their money together, and from this pool of savings make low-cost loans to one another. It is people working together to provide themselves with financial services. The members of the credit union are also its owners, they own and control the business and only through their support will it become viable. As member-owners we co-operate with all the other members to make our business a thriving concern while gradually providing ourselves with all the needed financial

services. It is important at this stage to use all our influence to obtain the required initial resources as indicated in the feasibility study. We call on our elected government people to use their voice in obtaining the assistance we require now to get our credit unions going. People from the credit unions in southern Canada are ready to assist us in getting started. We also call on our existing organizations to use their influence and resources. All this lobbying may create a false impression that we are asking people to establish the credit union for us, while we are merely trying to obtain resources to get our own financial services going as sound businesses from day one. Indeed we the members are the credit union and no one can take our place. It is vital in the coming days and months to communicate with each other in our communities so that we all can have a good understanding that we will succeed with the cooperation from all the people.

**'A CREDIT UNION IS NOT AN ORDINARY FINANCIAL CONCERN, SEEKING TO ENRICH ITS MEMBERS AT THE EXPENSE OF THE GENERAL PUBLIC. NEITHER IS IT A LOAN COMPANY, SEEKING TO MAKE PROFIT AT THE EXPENSE OF UNFORTUNATES...THE CREDIT UNION IS NOTHING OF THE KIND; IT IS THE EXPRESSION IN THE FIELD OF ECONOMICS OF HIGH SOCIAL IDEAL.'**

This is a quote from Alphonse Desjardins, who organized the first North American Credit Union, some 100 ordinary people, his neighbours and friends at Levis, Quebec. This first credit union was followed by many new ones all over the world. Today in the province of Quebec there are approximately 1500 credit unions of which about 600 are in small communities where there are no other financial services. The people in those small communities through cooperation were successful in doing it themselves.

Does a credit union need a licence to operate? A credit union must have a charter from the provincial or territorial government.



What is a credit union? A simple definition of a credit union is; "any group of people with a common need who pool their money to make it available to each other through loans" This may sound very simple and idealistic but in Canada, credit unions have become a major force in the national economy. This happened over a long period of time with the effort of a great number of people. The base of the credit union is its members, who believe in the principal of sharing - resources, ideas and skills.

How many persons are necessary to start a credit union? A potential membership of 100 people is recommended.

Is the credit union movement connected with any particular religious or political group?

No. Membership is open to eligible persons regardless of race, colour, creed or political belief.

Are credit unions connected with each other? Each credit union operates its own affairs, but should join the others for the services and materials it needs, but cannot afford to support alone. The credit unions in southern Canada work together with each other through their provincial credit union centrals and in turn the provincial credit union centrals work together through the national central, presently called the Canadian Cooperative Credit Society.

### Community Updates

POND INLET has made some great progress both in organizing their credit union and in informing the public about their efforts. Led by Apptiaq Enuaraq, a director of Toonoonik Sahoornik Co-operative, and chairman of the credit union organizing committee, the community completed several steps on the way to establishing their credit union. The Co-operative has 500 members and they have an organizing committee set up that has been active on several fronts. They have issued letters to M.L.A.'s, Inuit political and economic organizations, Tungavik Federation of Nunavut, local businesses and local individuals. The letters were sent to request letters of support and commitment for their efforts. They hope to have a charter in place in six months time and in the same period they expect to raise \$10,000 towards share capital. In the coming year they expect to raise \$25,000.

Local businesses are being to invest \$500, elders and students, \$50 and local individuals \$100. The money that they raise will be held in trust for them at Arctic Co-operatives Limited until the credit union is operational.

The community was also the subject of a recent CBC Iqaluit radio feature and also received front page coverage in the Nunatsiaq News, the major newspaper serving the Inuit of the NWT. Response has been very favourable from all contacts. The community feels very confident that they will achieve their goals very soon, with an adequate financial commitment from Government.

HOLMAN ISLAND has 57 people signed up for their credit union. The Holman Island Co-operative is leading the credit union development in this community. The people in Holman have had their application for a charter ready to go for some time now. They have delayed applying for the charter because it was felt that the legislation was inadequate to allow for it. Since discovering that the legislation will allow for the credit union to be established, they will be submitting their memorandum of association to the Supervisor of Co-operatives.

A committee of the Co-op board in Holman will be developing credit union by-laws and continuing with the membership drive. They will also be contacting their M.L.A. to request that the legislative assembly give direction to the Department of Economic Development and Tourism to make a financial commitment to this essential community service through the NWT Development Corporation and/or the new

EDA

CAPE DORSET has resumed their activity in Credit Union development. The community started working on the Credit Union there in 1987. Both the Hamlet Council and the West Baffin Co-operative have supported the establishment of a Credit Union. The Hamlet completed a questionnaire in 1988 which showed that over 90% of the people in Cape Dorset supported the establishment of a Credit Union.

The Hamlet Council then met with the minister of Economic Development and Tourism to inform him of the need and support for a Credit Union in their community. Since that time there hasn't been any support from the GNWT. However, after reviewing the studies that have been completed since then, they are more convinced than ever that they can provide their own financial services.

The Hamlet officials will be bringing the matter up for discussion at the next Baffin Regional Council meeting. They have received the necessary documents to apply for incorporation and will be setting up a steering committee to advance the formation of a Credit Union in Cape Dorset. The people involved will be contacting their M.L.A. and the Government Leader to request their commitment to providing the money needed to start the credit union.