



IMPORTANT NOTIFICATION: PLEASE READ ABOUT YOUR SERVICE CHARGE

A mistake was made in the accounts of many of our members in April. You may have noticed already in your statement accompanying this newsletter that you have had far too large a deduction for service charges this month. If you are one of the few members who use passbooks you will see this when you update your book beyond the end of April. If you are connected by AccèsD you will be able to immediately see the problem and the solution.

Each spring the Desjardins Federation updates the service charge rates for each Credit Union and Caisse populaire in the network. Up until now the individual Boards of Directors of each institution submitted to the Federation, through their manager, the service charges they decided to impose for the next year.

The Federation recommends service charge rates to the individual Caisses pops and Credit Unions. So far, however, individual organizations have been tolerated when they set different rates. This being said, we have been warned by Federation inspectors for years that they consider our rates to be far too low and that we should "get on board" the Desjardins profitability wagon.

This year, as in all the years past, our Directors have insisted that our autonomy in this matter be respected. This spring they informed the Federation that, once more, our service charge would be an across-the-board flat rate of \$1.25 per month.

At the beginning of April, the Federation programmed their computer system to withdraw \$1.25 from each of our members' accounts—and they also added service charges to be collected on all individual services at the highest recommended rate! This was done for all credit Unions and Caisses populaires without warning or explanation. Most managers discovered on April 30th that a great many of their members' accounts had been automatically debited for impressive services charges.

Look at your account statement entries of April 30th, 2003 for an item encoded "service charge" or ADM. This is what you would have paid in April if Strathcona charged the maximum Desjardins rates. Another entry on that date is "fixed service charge" for \$1.25. The latter is the correct one.

Our staff spent all day Saturday May 3rd at the office reversing each of the incorrect charges. The corrections have, then, already been made and your current account balance should be correct. Once again, unless you update a passbook or use AccèsD, you will not see this change until you receive your May statement.

The fault for this unannounced change in procedure is clearly that of the Desjardins Federation. However we are sorry for any inconvenience caused to members by this occurrence. We will make every effort to see that this does not become a spring ritual. We would also like to thank the staff who worked on the May 3rd weekend to rectify the situation.

VACATION TIME

Taking a vacation this summer? We can provide you with advice, travellers' cheques, and a vacation loan. If you think that we can help you, call either of our offices.

CURRENT RATES

PERSONAL LOANS	8.50 %
CONSOLIDATION LOANS	10.50 %
LINE OF CREDIT	7.00 %
MORTGAGES	
1 year term (open)	5.25 %
2 year term (closed)	5.00 %
3 year term (closed)	5.25 %
4 year term (closed)	5.50 %
5 year term (closed)	5.75 %
TERM DEPOSITS *	
6 months	2.00 %
1 year	2.75 %
2 years	3.25 %
3 years	3.75 %
4 years	4.25 %
5 years	4.50 %

* \$2,000 minimum. Rate subject to change without notice.

Monthly interest payment less 0.25 % (053)

TRUE TO OUR ROOTS?

In recent years the Directors of Strathcona Credit Union have had occasion to disagree with some of the policies of the Desjardins Federation. Our credit union has always attempted to stay true to the principles of the cooperative movement, to provide our members with the best possible service and to rebate as much as possible of any year-end surplus to our member/owners. Desjardins, it sometimes seems, is not respecting its roots. They are constantly criticizing our low service charges and loan and mortgage rates. At a recent Board of Directors meeting several of your directors found it necessary to explain to two Federation Inspectors what Alphonse Desjardins's philosophy really was and what the role of a credit union is while their only interest seemed to be increasing our "profitability".

Recently the tip of this attitude became public. A caisse populaire submitted a proposal to a general meeting for a name change. The motion was defeated but the editorial in the Montreal Gazette and the response to it bring out some of the attitudes that are more and more evident within the organization. We look forward to the changes which M. Chapeau's letter below alludes to.

Desjardins snubs roots

It is all very well for the Bank of Nova Scotia to disguise itself as Scotiabank or for the venerable Bank of Montreal to adopt the vacuous BMO as its moniker. Such purely commercial enterprises, after all, are subject to all the barbarities of trendy marketing. But for the Mouvement Desjardins to turn its back on its working-class origins by having all its branches drop the "caisse populaire" designation sounds like selling your heritage for a bowl of lentils.

That's just what Desjardins' CEO Alban D'Amours is considering. "Caisse populaire," he sniffs, is just a little too old-fashioned a phrase for a powerful, modern financial institution like the one he heads. "Caisse Desjardins," he claims, has a much more contemporary ring. Maybe—but it doesn't say nearly as much about the humble beginnings of Quebec's credit-union movement.

What became the Mouvement Desjardins began 100 years ago in the Lévis living room of the devoutly Catholic Alphonse Desjardins, who enlisted the help of his church's bishops to spread the idea to just about every parish in the province. From the beginning, Desjardins's "caisse pops" paid an important liberating role in Quebec's economic history. They encouraged thrift and planning and provided working people with capital to build homes, buy farms and open small businesses—and this at a time when banks loaned money only to people who could prove they didn't need it. There is nothing old-fashioned about any of that, and much to be proud of.

*Editorial, April 1, 2003.
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Caisse Desjardins - true to its origins

The proposal to drop the expression "caisse populaire" and retain "caisse Desjardins" (Editorial, April 1. "Desjardins snubs roots"), which is already commonly in use, came from a caisse populaire in the Saguenay region. Its board of directors felt the time had come to better reflect the new reality of our financial institution and asked the Desjardins Group board of directors to submit their proposal to caisse representatives at their annual general meeting last Friday. The proposal was rejected.

Such a proposal, had it been accepted, would not have meant that Desjardins would have been turning its back on its past, as your editorial claims. On the contrary, Desjardins is proud of its origins and of its name and has no intention of abandoning its basic mission of improving the economic and social conditions of individuals and communities; nor does it intend to abandon its co-operative status.

At their 18th congress last weekend, caisse representatives actually adopted a series of measures to reassert Desjardins' co-operative status. This came about after close to 25,000 caisse members, employees and elected officers had spent time throughout 2002 discussing ways to improve our co-operative practices.

Abandoning the word "populaire" would in no way have reflected any change in our original mission. We are proud of our roots and proud of what we are achieving for our members and local communities throughout Quebec.

*André Chapeau
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[Letter to the editor, April 3rd, 2003]
The Gazette (Montreal)*