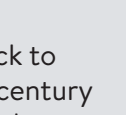


For more than 100 years, credit unions have provided financial services to their members in Canada

Credit unions are unique depository institutions created to serve their members as credit co-operatives.

A LOOK AT THE ORIGIN OF CREDIT UNIONS AND THE UNIQUE FOUNDING STORIES IN EACH PROVINCE

1800s ENGLAND & GERMANY



The earliest financial co-operatives date back to the beginning of 19th century in England. A few decades later, credit unions took root in Germany. These early credit unions became the model for today's credit unions in Canada.

Distinguishing features of these early credit unions included:

- Democratic governance
- Each member has one vote, regardless of the size of the member's deposits
- Member-elected board of directors
- Volunteer based

Alphonse Desjardins

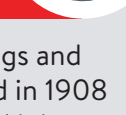


1900 QUEBEC



The credit union concept crossed the Atlantic to Lévis, Quebec, where Alphonse Desjardins organized La Caisse populaire de Lévis. A former journalist and the French-language stenographer for the House of Commons, Desjardins became aware of moneylenders charging outrageous interest. In response, he organized this first credit union in North America to provide affordable credit to working-class families. Over the course of the next 14 years, Alphonse personally founded an additional 148 caisses populaires (the French term for credit unions) throughout Quebec and Ontario.

1908 ONTARIO

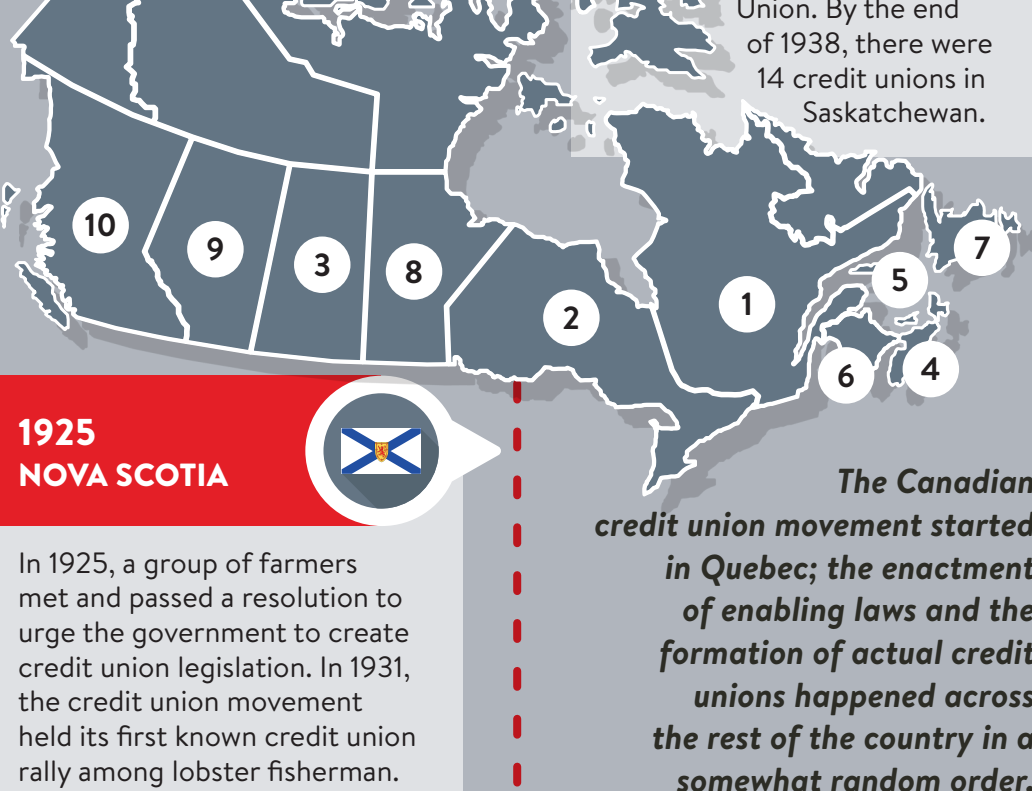


The Civil Service Savings and Loan Society, launched in 1908 with the assistance of Alphonse Desjardins, was the first credit union in Canada outside Quebec. Federal civil servants were prompted by an article in their magazine *The Civilian*, when it reported on moneylenders charging civil servants up to 200% for payday loans. The government of Ontario passed a credit union law in 1928 that led to numerous credit unions being founded throughout the province. Credit unions offered people and communities an opportunity to control their financial futures. By pooling resources, they helped farming communities survive during the difficult times and thrive when economic conditions got better.

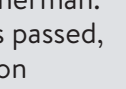
1910 SASKATCHEWAN



Saskatchewan credit unions were created as a hedge against harsh economic times and prolonged drought. Founded in 1910, the Jewish Colonization Association was the first credit union in Saskatchewan. The second, La Caisse populaire d'Albertville, opened in 1916. It wasn't until the 1930s, however, that the credit union idea really took hold. In 1937, the first officially chartered credit union was Regina Hebrew Savings & Credit Union. By the end of 1938, there were 14 credit unions in Saskatchewan.



1925 NOVA SCOTIA



In 1925, a group of farmers met and passed a resolution to urge the government to create credit union legislation. In 1931, the credit union movement held its first known credit union rally among lobster fisherman. In 1932, legislation was passed, with Filene Credit Union being the first to organize and Reserve Mines Credit Union obtaining the first credit union charter from the Nova Scotia government. At the time of the first meeting of Nova Scotia credit unions, held in 1934, there were 14 credit unions, 3,124 members and more than \$100,000 in assets.

The Canadian credit union movement started in Quebec; the enactment of enabling laws and the formation of actual credit unions happened across the rest of the country in a somewhat random order.

1936 NEW BRUNSWICK



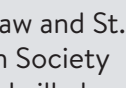
With unemployment reaching close to 40%, the economic depression of the 1930s was a difficult time for the people of New Brunswick. As the economy spiralled downward, these conditions provided fertile soil for credit unions. Organizations such as the New Brunswick Union of Labour, the Trades and Labour Council, the Farmers and Dairyman's Association, as well as fishermen's associations, led the credit union movement in New Brunswick. Members of the clergy were also vocal in their support and viewed credit unions as an opportunity for "economic regeneration of their flocks". By 1936, the government of New Brunswick passed a credit union law and St. Raphael's Credit Union Society Ltd. was started in Blackville by Rev. A.A. MacKinnon. By 1939, there were 10,000 members participating in 95 credit unions and caisses populaires in New Brunswick.

1936 PRINCE EDWARD ISLAND



Credit unions on Prince Edward Island grew out of an adult education movement in the 1930s in response to the difficult times of the Great Depression. Small groups of people organized study groups and learned to use the techniques of economic co-operation, which naturally led to the formation of a credit union, a factory and a co-operative store. Everyone learned to co-operate in groups to help each other and themselves at the same time. Incorporated in Charlottetown in 1936, Liguorian Credit Union was the first credit union formed on P.E.I. By the end of 1937, there were 25 credit unions, 1,815 members. By 1944, there were 50 credit unions involving 6,880 members.

1937 MANITOBA



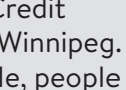
The first credit union in Manitoba was organized in 1937 by Father Arthur Benoit in the French farming community of St. Malo. Its citizens, like most farmers on the continent, were suffering during the Great Depression. Father Benoit brought them together to help each other financially. The first loan to a member—for \$56.50, repaid in \$2 monthly instalments—financed the purchase of a cream separator. Later in the same year, Norwood Credit Union was founded in Winnipeg. Following their example, people throughout Manitoba, drawn together through common ethnic, religious, professional or geographical affiliations, began founding credit unions in ever-increasing numbers. By 1939, there were 19 credit unions in Manitoba, with combined assets of \$49,990 and 2,406 members.

1936 NEWFOUNDLAND AND LABRADOR



In 1936, the Co-operative Division of the provincial government was organized under the direction of Gerald Richardson. Approximately 1,000 study clubs holding kitchen meetings were set up. The emphasis leaned towards credit societies as a means of building capital. However, the immediate benefits of lower prices and patronage refunds and, in many cases, interest-free consumer credit, were more attractive in co-operatives. By 1938, there were 16 credit unions in Newfoundland and Labrador and by the end of 1940, there were 27 credit unions registered, with 3,000 members and \$45,000 in assets.

1939 BRITISH COLUMBIA

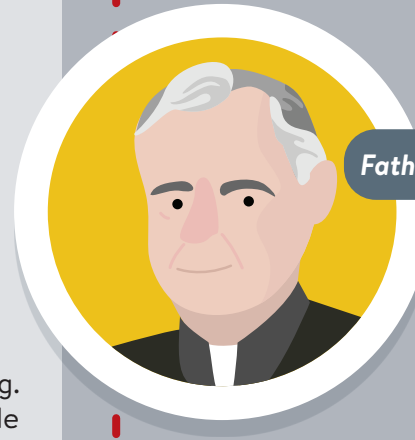


The Great Depression of the 1930s hit British Columbians hard, and banks began to pull out of small communities. It was the intense desperation of this era that caused the emergence of credit unions in British Columbia. With the BC *Credit Unions Act* of 1939, credit unions, which had been sprouting up in many communities, could apply to be legally registered. The Act allowed for the formation of both community-based credit unions that were based on community ties as well as closed-bond credit unions that were formed along employment lines and not open to the general public. In 1939, Powell River Credit Union became the province's first officially registered credit union.

1938 ALBERTA



In the mid-1930s, Alberta's first credit union began operations in the small rural town of Killam and was organized under the *Cooperative Act*. The *Credit Union Act* passed by the Alberta legislature in 1938 saw Inglewood Savings and Credit Union of Calgary become the first officially incorporated credit union in the province. The early Alberta credit union movement had a strong American influence from the Credit Union National Association (CUNA) and has always had an ongoing competition from the Social Credit government's introduction of Alberta Treasury Branches (ATB) in 1938.



Father Arthur Benoit

CANADIAN CREDIT UNIONS TODAY

Nearly **700** credit unions and caisses populaires

More than **10 million** members

More than **\$320 billion** in assets

BROUGHT TO YOU BY



Sources: Atlantic Central, Central 1 Credit Union, Credit Union Central of Alberta, Credit Union Central of Canada, Credit Union Central of Manitoba, Desjardins, SaskCentral, University of Victoria