World Trade Organization Undermines Democracy
by Bill Myers

World trade seems inevitable and maybe even natural, driven by value-free economics and potentially a benefit to all. So what’s all the fuss about the World Trade Organization and why would a small credit union in upstate New York care enough to present the issue in its member newsletter?

The bones we pick with the WTO aren’t mainly about trade. Our gripe is chiefly “Who makes the rules?” WTO is a non-elected international body that creates and enforces rules that supersede the laws of our elected officials. WTO is establishing the kind of economy, worldwide, in which the rules of regulated, corporate-managed trade prevail without interference from governments or from anyone else.

WTO rules generally require domestic laws, rules and regulations designed to further worker, consumer, environmental, health, safety, human rights, animal protection or other non-commercial interests, be undertaken in the “least trade restrictive” fashion possible. Almost never is trade subordinated to these non-commercial concerns. What some of us call environmental, food-safety or

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human-rights laws, the WTO sees as non-tariff trade barriers.

In this way, WTO undermines democracy. Its rules drastically shrink the choices available to democratically controlled governments, with violations potentially punished by harsh penalties. WTO rules are biased to facilitate global commerce at the expense of efforts to promote local economic development and policies that move communities, countries and regions in the direction of greater self-reliance.

**A few examples:**

1. Governments are not allowed to pass laws that favor local firms and discriminate against foreign-owned corporations. For example, our Food Stamp program could be called a trade barrier because the compromise that allows us to feed hungry Americans requires that we buy from American farmers.

2. Governments are not allowed to subsidize domestic industries. Our own CEO program could be sanctioned because we are using government funding to train local business people.

3. Governments are not allowed to pass laws that would provide favorable terms of trade to particular trading partners. The WTO limits governments’ ability to use their purchasing funds for human rights, environmental, worker rights and other non-commercial purposes. The WTO disallows bans on imports of goods made with child labor. In general, WTO rules state that governments can make purchases based only on quality and cost considerations.

4. The WTO rules generally block countries from acting in response to potential risk - requiring a probability of risk before governments can move to resolve harms to human health or the environment.

I applaud those activists who brought this issue to a level of attention that could reverse the sense of irreversibility that WTO projects.

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**1999 - A Very Good Year**

Alternatives leaves the millennium with much to be proud about. While the end of year numbers aren’t in as of this writing, it is clear that 1999 was a very good year in terms of Alternatives’ two major goals, at times difficult to achieve simultaneously: Our programs had a larger impact than ever in promoting local economic democracy, and our financial condition is sound.

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**Some Highlights of 1999**

**FROM THE FRONT LINE**

Each year we strive to improve our member service. This year the member service staff focused on training. We worked to develop a comprehensive teller training manual. We began studying the STAR program, books specifically addressing credit unions and member service. We also attended bi-weekly training sessions with other departments in order to increase our knowledge of the products and services we offer our members.

In April we introduced Alternatives CU@Home, our home banking system that is free and available 24 hours a day. A simple sign-up form allows members to view account histories and balances, do transfers, order share drafts, apply for a loan and more.

You’ve probably noticed several new faces on the telling line. This year we hired five new member service reps: Jacquelyn Brashear, Soren Bailey, Amy Capalongo, Elizabeth Boze, and Darrell Barrett. Kathleen Cooke was promoted to Member Service Specialist and Melissa Pollack was promoted to Member Service Manager. Ron Campbell moved to the Accounting department.

We hope we were successful in providing you with friendly, helpful, efficient service.

**LENDING INCREASES**

In 1999, Alternatives offered greater access to credit to more members than ever before. The loan department put a major effort into rewriting the loan policy in an effort to provide greater flexibility in member lending while maintaining the safety of our portfolio.

**Business**

Small businesses found a friend in Alternatives. We reached a milestone: Over $1 million in new business loans for the first time in Credit Union history. These loans helped new start-ups and expansions in agriculture, retail, health care and service industries. We applied for and obtained
SBA (Small Business Administration) Micro Lender status which will provide monies for loans as well as technical assistance funding. That will mean even more funds available to lend out to small businesses in our region.

**Consumer**

With our new loan policy came a whole new way of doing consumer loans. Opportunity Lending prices loans according to risk and in many cases allows for more competitive rates on both the top end and lower end of the credit acceptability scale. To launch Opportunity Lending we conducted a very successful loan/car sale with Stafford Chevrolet, lending over $400,000 to twenty nine old and new members. Building on this success, we are working on, and have already established, working relationships with other auto dealers.

**Mortgage**

Normally there is a “busy season” for home buying and mortgages, in the spring and summer. But this year we never had a “slow season” - the demand for home loans just keeps going and going and going...

Highlights of the year include:

- 10% more members received mortgages over last year at this time.
- Mortgage loan dollars to members increased 25% over last year.
- Our Home Equity volume doubled. Members loved the elimination of closing costs.
- Our Ten Year Swing mortgage has proven itself to be a very popular program with members who either don’t qualify for a conventional mortgage, or who want their mortgage kept at Alternatives.
- We upgraded our mortgage software to streamline processing time.
- We continue to provide homebuyer education to hundreds of people.

**Student Loans**

In October we switched to a new student loan program which we expect will provide better service than ever to our members. We hope that this greater service, coupled with education about applying for student loans, will make us the financial institution of choice for young students, their parents, and non-traditional students.

**COMMUNITY DEVELOPMENT PROGRAMS**

During 1999, the Credit Union took further steps towards improving its financial self-sufficiency by securing a $1.7 million award from the Community Development Financial Institutions Fund of the U.S. Treasury Department. Our reputation for designing and delivering innovative community development programs is growing; the funding we received to support these programs is widespread, from local churches, government and foundations, to national organizations and foundations. We have also seen an increase in nonmember deposits from banks, credit unions, foundations, religious organizations and others that support our community development mission. Many of these deposits are at below-market rates.

Our community development programs——Dollars for Dreams (DfD) Youth Credit Union, IDA, and CEO – came together as the Community Development Department, with the common mission of financial education and economic improvement for our local community. The programs have shared staff in developing and implementing training for members. The CEO and IDA programs benefitted enormously this year having full-time VISTA volunteers, provided by the Corporation for National Service.

**CEO**

In the past year, the number of people enrolled in the program has more than doubled and the list of businesses that have been started or expanded with the assistance of the CEO Program continues to grow. CEO developed a comprehensive business training course, The CEO Entrepreneurial Training Course, to provide aspiring and existing business owners with opportunities to develop skills and acquire knowledge to run successful businesses. Seventy five people have taken this course since January.

The CEO Program also initiated CEO Roundtables, small groups of business owners who mentor one another, and CEO Seminars, focusing on the needs of existing business.

CEO Staff provided over 724 hours of business counseling and assisted in the start up or expansion of 55 businesses. Additionally, the CEO Program was fortunate to receive volunteer assistance from 28 volunteers.

**Individual Development Accounts**

Alternatives’ IDA Program helped 99 area residents save for, and invest in assets. Over $16,000 of matched savings has been used by participants to purchase or repair homes, start or expand businesses, or for post-secondary education. We have developed a comprehensive money management program, Money Wise, Money Whys, also adapted for use with our youth members. Through the education and matching funds, these IDA savers are working toward a better financial future for themselves and their families. By participating in the IDA program, our participants are helping shape the future of IDA policy through Alternatives’ involvement in the Downpayments on the American Dream Demonstration, a national policy demonstration. We have been recognized in the state and nationally as leaders in developing IDAs, and have received numerous invitations to share our experience with others.

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Dollars for Dreams
1999 was a successful and busy year for the Dollars for Dreams Youth Credit Union.

- 10% increase in DfD member accounts, to 779
- $285,000 in deposits, up $40,000 over last year
- Doubled our number and increased the diversity of volunteers (19 at ACS, 9 at Boynton, 10 at the main branch)
- 4 new DfD loans
- Youth Coordinator position at Alternatives Credit Union became full time

Not only did DfD embark upon their usual projects, such as Credit Unions Care for Kids and Cabin Fever, they also opened a second in-school branch at the Alternative Community School (ACS), installed an after-hours deposit box at Boynton, and had one of their long time volunteers, Renee Boisvert, win the New York State Credit Union League’s Youth Volunteer of the Year Award.

The Alternative Community School Dollars for Dreams Branch is different from any of the other branches. ACS has classes on Wednesdays and Thursdays called “committees.” The committees are formed with the purpose of developing the school in a positive way. DfD was able to form a committee to enhance its new branch with an in-school learning experience that offered class credit. A generous donation by Moon Ska Records helped DfD kick off the new branch by offering give-a-ways.

Round Off
Round Off is our award-winning program which allows members an easy way to donate their spare change with every deposit to a local non-profit organization promoting social responsibility in the community. In January, member donations will benefit Greater Ithaca Activities Center (GIAC) Youth Program. GIAC is a multicultural activities center which provides a variety of services and programs to youth, teens and adults. Every year the Youth Program offers a trip; one that participants would not be able to attend without GIAC. This year they are hoping to take the group to Disney World. “We believe that every child should have the opportunity to visit the magic kingdom.” Your generous donations will help fulfill this dream.

Art Gallery
There are still openings for gallery space in the year 2000, giving you the opportunity to display your work in front of thousands of members. Call Pat VanDusen, 273-4666 for more information. In January, Art Gallery features portraits and doodles in pencil, colored pencil and ink by Greg Spence Wolf.

Holiday Closings
Martin Luther King, Jr. Day
Monday, January 17

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