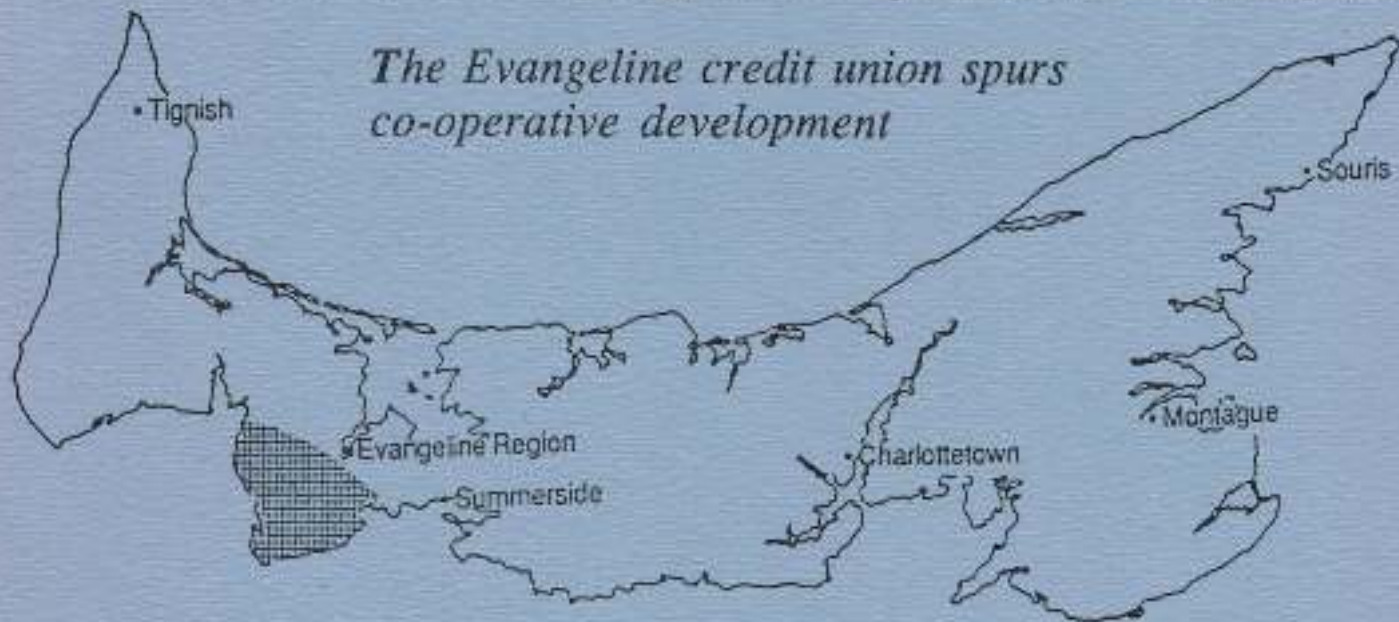


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*Amand Arsenault, president of the Coop Conseil of P.E.I., in the kitchen during the Co-op Week pancake breakfast. (See page 15.)*

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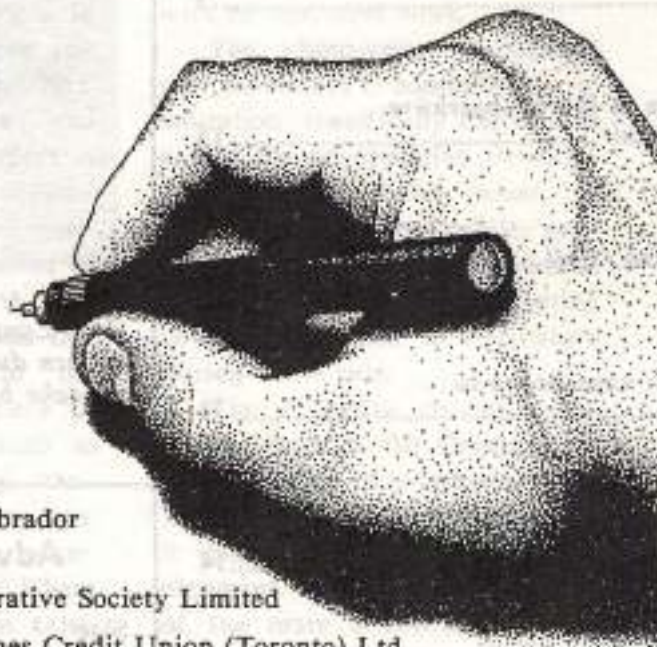
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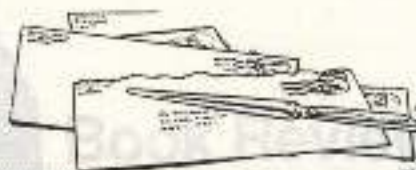
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## Cabinet minister responds

*In the Fall issue of Worker Co-ops, a letter from Richard Priestman of Bespoke Co-operative, Ottawa, asks Monte Kwinter, Ontario's minister responsible for co-operatives, "why the incorporation fee for a co-operative is more than double that for a company incorporating under the Corporations Act." At the request of Priestman, Worker Co-ops is now printing Kwinter's reply.*

Thank you for letter on the subject of the fee charged for incorporating a co-operative.

The fees for a range of

services provided by the Credit Unions and Co-operatives Services Branch were adjusted in April last year. Fee structures are set based upon costs of providing the services involved, and are certainly not intended to discourage the development of co-operatives.

Our fee structures are currently undergoing a complete review, and the apparent discrepancy in fees between co-operatives and corporations will certainly be addressed. Thank you for raising this issue with me.

As to the matter of worker

co-operatives being administered by this Ministry, I can advise you that, based upon a decision made some years ago, all co-operatives are administered here. I have raised your question myself and, as a result, options are being considered by staff at this time. However, no conclusions have yet been reached.

**Monte Kwinter**  
Minister of Financial Institutions  
Government of Ontario  
565 Yonge St.  
Toronto, Ontario  
M7A 2H6

## Practical approach for conferences proposed

A conference on worker co-operatives was held September 25-26 in Minneapolis. It was sponsored by the North County Development Fund and several other co-operative organizations. Unlike many other such events, the conference was organized as working sessions for people involved in running, planning or expanding worker co-operatives. Most participants were from Minnesota, and many were from relatively small local co-ops (such as Whole Builders Construction Coop, Roots & Fruits Produce & Cheese Coop, and New Riverside Cafe). A number of these co-ops have been in operation for years; they were hoping to improve their management and organiza-

tion, or to expand their services and product lines.

Speakers and group discussion leaders were drawn from a variety of resource centres across the U.S., such as the Self-Help Ventures Fund in Durham, North Carolina, the Wisconsin Cooperative Development Council, PACE of Philadelphia and ICA.

The approach was practical, oriented towards the developmental needs of participants. It allowed actual planning and development work to occur right in the workshops.

It is our view that future conferences in Canada would be well served by spending less time discussing theoretical concerns and by finding more ways of

providing practical information to those directly involved in running co-operatives. One useful approach would be for co-operatives in a region to organize conferences as working sessions to meet their specific needs, bringing in resource people who are knowledgeable in the required areas. With some preparation, and even pre-conference "homework", very efficient use could be made of the time and money devoted to the event.

**Jeremy Hull, Working  
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### Big Carrot says 'thanks'

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We would like to thank our customer-investors who put their faith in us and lent us \$230,000. Some even stocked shelves to help us open. Without their faith and uncritical support, this expansion would not have been possible. I would like to suggest to other worker co-ops that there are people in your community who would support the principles of democracy in the workplace, and their money is better than the bank's.

If you are in Toronto please come to visit us. Carrot Common, the 14-store mall in which we are housed, is home also to Co-operative Work (a development group for worker co-ops) and Bread and Roses (a credit union supporting social change).

**Mary Lou Morgan, Co-manager**  
The Big Carrot  
348 Danforth Ave.  
Toronto, Ontario  
M4K 1N8; (416) 466-2129

In the Fall issue of *Worker Co-ops*, Dana Weber should have been credited with being the author of the "Update on Baseline Type and Graphics Co-operative". We regret this oversight.

### Worker co-op taxation

Jean-Claude Guerard correctly raises the disadvantageous manner in which worker co-operatives are taxed in relation to other forms of business enterprise. ("Taxation: do worker co-ops pay too much?" *Worker Co-ops*, Fall, 1987). However, it is not necessarily true that members of a worker co-operative cannot be considered investors for tax purposes.

Assuming the co-operative is structured to provide dividends on investment, members of a worker co-op may opt to have a portion of the year-end surplus paid not by way of a patronage dividend, but by way of a dividend on investment. Such dividends would be treated for tax purposes in the same manner as any other dividend from investment.

Probably the most significant disincentive for co-operative investment is the fact that, unlike business corporations, there is no possibility for shares in co-operative corporations to appreciate

in value and, hence, no possibility for co-operative investors to make tax-free capital gains. While co-operatives were at a disadvantage prior to the Mulroney government's recent amendments, in that only 50 per cent of any capital gain was taxed, the implementation of the \$50,000 lifetime capital-gains tax exemption, unmatched by any commensurate tax break for co-operative investment has seriously damaged co-operatives' ability to attract investment capital.

What is needed is a far greater appreciation on the part of both federal and provincial governments of the unique nature of co-operatives and the special measures necessary to ensure that co-operative investment is treated at least as favourably as other forms of business investment.

**Brian Iler**  
Iler, Campbell & Associates  
150 Simcoe St.  
Toronto, Ontario  
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*Worker Co-ops welcomes letters and conference notes from its readers. Letters should be sent to the Worker Co-ops Magazine, OISE, 252 Bloor St. W., Toronto, Ontario M5S 1V6.*

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## *A view from political economy -- an interview with Leo Panitch*

Grant MacDonald

*Leo Panitch, a professor at York University, has been a long-time contributor to Canadian Dimension, to Studies in Political Economy and to The Socialist Register. A collection of his essays, entitled Working Class Politics in Crisis, has recently been published by Verso.*

*Panitch is interviewed here by Worker Co-op's Forum editor, Grant MacDonald. Send your comments or Forum contributions to him at 306 Harbord St., Toronto, Ont. M6G 1G8; (416) 588-5738.*

- There is a lot of talk these days about workers playing a greater role in decisions affecting their work. I wonder where you think that is going.

- The crisis that the North American and the European manufacturing industry has been facing, due in part to increasing competition from southeast Asia, has encouraged broad sectors of management to combine the introduction of new technology with the attempt to involve workers more in overseeing production. One is beginning to see participation in quality control, the breaking down of certain aspects of the division of labour in plants and offices and more workers participating in supervisory kinds of tasks.

The thing about this kind of worker participation, such as Quality of Working Life, is that it remains something granted from above. It is very much

characterized by the requirement to adopt managerial perspectives and goals.

- But does it give workers any real control over their work?

- It has an appeal, I think. One has to see this as being attractive to workers, to the very strong sense that people have of wanting to be involved in decisions about their work. It is difficult to say, "Don't get involved in these schemes" because they do promise to meet a very deeply felt need among people to be creatively involved

in what they do, to overcome their alienation.

This kind of participation, however, meets these real needs within circumscribed limits. After all, the framework for it is set by management and owners. What workers often find is that their newly acquired power is limited. And, there is the added danger that they undermine the autonomy of trade union organizations by shifting the identity of working people from a collective identity amongst workers to a common identity around the firm.



- What about control through employee stock-ownership plans? Should we be skeptical of them as well?

- Yes, partly for the same reasons, but I think that the recent stock market crash is likely to make the attractiveness of such plans to workers seem much less glittering than it has been. The attractiveness of "popular capitalism" has been largely due to the fact that shares have been increasing in value during the last five years. Their devaluation since "Black Monday" will probably make many working people realize that what they were doing was not a lot different than buying a lottery ticket. It is not going to change their place in the economic system one bit.

- In 1977 you wrote a piece entitled "The Importance of Workers Control". How do you see that issue now? Have things changed in the intervening ten years?

- I think that workers control is more important than it has ever been and that worker co-ops play a vital role in providing an alternative set of symbols and, to some extent, practices, to worker participation schemes handed down from above.

Although they often come into being for defensive reasons - let's keep this plant going, let's keep this community going, when mass layoffs are threatened -- their importance is that they provide a vision of a different way of organizing production in

society. In that sense, worker co-ops are not simply based on the notion of workers owning their factory, but almost always have an element in them of a different kind of relationship between managers and workers.

Worker co-ops can be most useful in their communities when they play a role in breaking down the false division of people into workers, consumers and citizens. The same people are workers, consumers and citizens, yet we think of them as different categories of people.

- How might worker co-ops begin to play such a broader role?

- In "The Importance of Workers Control" I tried to sketch out Antonio Gramsci's insights about the factory councils in Italy after World War I. He argued that these councils would remain mainly defensive, even though they were orientated towards securing workers control in the factory, unless they connected themselves with the neighbourhood in which they were located. I think it is important that worker co-ops see themselves as leaders on a range of local issues. Given that they often come about in order to keep communities alive, there is a strong material basis for them to play such a role.

- What do you think are some of the principal constraints on worker co-op development?

- Their limits, of course, are that in this world, in this society, they are constrained and limited by a market economy, by the very kind of conditions that prevent many businesses from being viable under capitalist-style ownership. The difficulty in attracting investment, especially from banks, and from government too, is that they measure viability in terms of competitive rates of profit not social utility. These constraints are not inevitable, but they are, at the moment, very real.

- What sort of things would you like to see coming from worker co-ops or the co-op movement in general?

- I think that their connection to a process of broader social change needs to be stressed. Worker co-ops certainly need to be attached to political movements that orient themselves to creating a society that would promote this kind of production and this kind of community life.

This means broadening democracy in a way that goes well beyond parliamentarianism, and it means broadening worker control well beyond the confines of local enterprises to involve democratic ownership and control of our national assets, above all, as those are presently in the hands of a small group of private banking capitalists. Socialism need not mean statism: public ownership can be decentralized, democratized and even leased to co-operatives of producers and consumers. ■



# Evangeline, Prince Edward Island, the uncontested co-op capital



Photos courtesy of  
*La Voix Acadienne*

*(L-R): Evangeline Credit Union Chairman Leonard Gallant and founding members Edmond Bernard and Augustin Gallant during the Evangeline Credit Union's 50th Anniversary celebrations.  
Right: The Evangeline Credit Union.*



## Raymond J. Arsenault

The co-operative movement touches the daily lives of the nearly 2,500 French Acadians in a 20 square mile area of Prince Edward Island. Evangeline, P.E.I., is uncontested as the co-op capital of North America, at least on a per capita basis.

Fifteen co-ops, including five new ones, provide the tightly knit Acadian community with

services ranging from banking to handicrafts to funerals. These co-operatives provide 324 jobs, 48 full-time, and the rest seasonal or part-time. They also paid out \$866,066 in wages and \$194,365 in rebates in 1986. Another \$430,700 was paid in interest on savings and shares.

Most residents of the area are members of several co-ops as were their parents and grandparents. Today's population grew

up immersed in the co-operative spirit, knowing they control at least part of their destiny through these member-owned companies.

The co-op movement is also said to be a major contributor to the survival of the French language in the area. The Acadians, a small minority spread out over the Island, comprise about 15 per cent of the province's population. Only five per cent still use their native tongue.

Unlike most other Acadian areas of the province, the Evangeline area has not suffered major assimilation.

### **Evangeline Credit Union**

The backbone of this co-operative system is the Evangeline Credit Union, which provides the banking services for most of the co-ops and most of the residents. This credit union -- one of the strongest in the province -- has 2,900 members and \$10-million in assets.

A local fish plant, called the Acadian Fisherman's co-op, buys various types of fish for canning and processing. Of its \$5.4-million in sales over the past year, almost \$4-million came from lobster. The plant also provides fishing and boat supplies to its members. A total of 230 people work there seasonally.

Two consumer co-operatives, the Wellington Co-op and the Mount Carmel Co-op, sell groceries and some hardware. The Acadian Pioneer Village Co-op, founded in 1967 to provide jobs, has grown from 10 log cabins, housing various local artifacts, to a full-fledged tourist attraction.

A co-operative community clinic, La coopérative du Centre de Santé Evangeline, employs five doctors and has also retained the services of a dentist. The Abram's Village Handicrafts Co-op has sold about \$32,000 of its products made by its 80 members. The Forestry Co-op Ltd., founded in 1980 to help local woodlot owners better manage their lots, has 108 members.



*Manager of La Coopérative Les P'tits Acadiens, Colette Arsenault (left), with worker-member Thelma Gallant.*



*The funeral co-operative of Evangeline (Coopérative funéraire Evangeline).*



*P.E.I. Potato Chip Co-operative at Urbainville.*



*Evangeline's community co-operative clinic  
(Coopérative de Santé Evangeline).*



*Wellington Co-op Ltd., the local consumer co-operative.*

### New Co-operatives

The last couple of years has seen a boom in new co-ops, thanks to a better investment climate in Canada, the help of new government programs and a renewed enthusiasm in the local community. The company that is having the biggest impact is the 14-worker P.E.I. Potato Chip Co-op; currently producing at capacity, it is barely meeting market

demand. The "Olde Barrel" brand chips, preservative-free and available in three flavours, are sold primarily on the Island. The management predicts that the co-op will eventually capture ten per cent of the Maritime chip market and that it will have annual sales of \$3.5-million.

A new children's clothes manufacturing co-operative, "Les P'tits Acadiens", expects to sell \$100,000 of its products all over

the Maritimes in its first year of operation. Its five worker-members made a sizeable investment in the company. The workers make up the board of directors.

La coopérative de communication communautaire was formed last year, in opposition to a licence application from a Nova Scotia company, to provide cable service to the region. Subscribing members will vote each year on the choice of channels. Two of the new channels are French.

Mostly with volunteer help, the brand-new Evangeline Funeral Co-op Ltd., will be building a \$90,000 funeral parlor to serve its more than 700 members.

### Youth Co-ops

Students from the local Evangeline School have also taken to the co-operative movement, setting up a small company last year. Open during noon hours, the Coopérative acadienne des étudiants sells various school supplies and canteen items.

Another group of youths formed La Coopérative Service-Jeunesse for summer employment. Local companies or individuals get casual and part-time workers from this youth employment co-op. The young employees contribute a few cents of each dollar earned to cover the co-op's administrative costs. Any profits at the end of the year are then redistributed to the worker-members.

## Self-reliance

The Acadians first settled on the island in 1755, after the British military pushed them off the Nova Scotia coast. Because neither the Acadians nor the English settlers understood or cared for each other, they lived their own lives with little or no contact. The less-numerous Acadians were huddled together in small groups and villages.

The Acadians were used to working as a community, getting together to build houses, barns and churches. They realized they could also work together to develop their economy. The desire for control stimulated the development of co-ops in the area.

In the last few years, the co-op movement has focused on creating jobs and providing services for its members. They rely heavily on the seasonal fishing industry for employment and then survive with unemployment insurance in the winter.

The Conseil de la Coopération de l'Île du Prince Edouard decided to examine the idea of establishing worker co-ops, using similar companies in Quebec as models. The enthusiasm for worker co-ops within the Acadian community and the province is increasing.

P.E.I.'s Industry Minister, Leonce Bernard, -- a driving force behind the new development -- believes these companies "have opened a lot of eyes" and will serve as models for the rest of the area and province. But even so, the Evangeline region itself is only beginning to experiment with the concept.

The current chairman of the Conseil de la Coopération de l'Île-P.-E., Amand F. Arsenault, believes the establishment of the two worker co-ops will have a snowballing effect because their success will encourage others. "But we've got to make sure we take our time and that we don't lose control of the whole situation," he warns.

### How can others do it?

A co-operative economy, such as Evangeline's, can not be set up overnight.

The key is education. People will not become members or get involved unless they are fully convinced that the movement can work. Arsenault says, "It's no use setting up a co-op if people are not aware of the social and economic role of this type of operation."

But he warns that a co-op-

erative system is not for every community. Co-ops work best in regions where every sector of the population can have input and can participate in the decision-making process.

In this world, where huge multi-nationals practically run the entire economy, it is reassuring to know that there is at least one option that allows ordinary folks to have some say in their well-being and some control of their destiny.

*Raymond J. Arsenault is the editor of La Voix Acadienne. He can be reached at P.O. Box 1420, Summerside, P.E.I. CIN 4K2; (902) 436-6005. This article is a condensed version of "The Key to Survival: Co-operatives in P.E.I.'s Evangeline Region", published in the July/August issue of the Journal of Community Development and reprinted with permission.*

WORKER OWNED AND MANAGED



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## Prince Edward Island's Minister of Industry, Leonce Bernard, talks about worker co-operatives

*Leonce Bernard has been called Canada's most knowledgeable cabinet minister responsible for co-operatives. He was manager of the Evangeline Caisse Populaire, president of the Conseil Coop of P.E.I. and he was instrumental in developing the Island's most successful worker co-operative, the potato chip plant in Urbainville.*

*In the following interview with Jack Quarter, editor of Worker Co-ops, Bernard describes the planning process for the potato-chip co-op and his plans for worker co-op development in P.E.I.*



- You were directly involved in planning the potato-chip worker co-operative. How did that co-op come about?

- The initiative for creating the potato chip co-op came from the co-op council (Conseil Co-op de l'Île) and the industrial commission [a government-sponsored local development agency] in the Evangeline district of P.E.I. The first step was establishing a venture capital fund -- the Baie Acadienne Capital Group -- which provided the base for investment. If you want to develop worker co-operatives, you need a venture capital fund. The Evangeline Caisse Populaire took the initiative in forming this venture capital fund.

Next we hired a consultant to explore possible markets for developing worker co-operatives. The idea for a potato chip plant came from that study.

I was director of the venture capital fund at that time and Alcide Bernard -- currently manager of the potato chip co-op -- was chairman of the industrial commission. Together, Alcide and I prepared a business plan for funding by the federal and provincial governments. I prepared the financial plan and Alcide did the marketing plan.

On the assumption that financing would be forthcoming, we formed an advisory group. We recruited four community leaders, and they, in turn, brought in other people including potato producers and prospective

members of the co-op.

This advisory group of 12 created an operational plan. It chose the name, the location, the design of the building, the equipment and so on.

After government approval of financing, the advisory group incorporated the co-op and hired the manager.

- At what point did the members of the co-op take control from the advisory committee?

- Alcide Bernard, who was selected as manager, arranged a meeting of prospective workers. At that meeting, he described the co-op, including the \$5,000 member-investment. Of about 120 people who attended the

meeting, 100 wanted to be members of the co-op. And of those, 14 were selected.

The members of the co-op now control the business, though some of the original advisory group are still on the co-op's board.

- The model for the potato-chip worker co-op was a form of community economic development. The co-op council and the caisse populaire developed a worker co-operative and then transferred control to the worker-members. Is this model replicable?

- The development model for the potato-chip co-op could be used for other worker co-operatives in P.E.I. We hope to use it.

We had all the ingredients in place to make this go -- the co-op council, the venture capital fund and the caisse populaire.

But it also takes leaders to make this go. That's where government comes in. We want to assist the co-op union of P.E.I. (the organization that represents all of the Island's co-ops) in seeking ideas for projects, and we want to provide financing to research these projects.

- Wouldn't it be better to have a specialized development group for worker co-operatives as has happened in Quebec and other countries?

- I will recommend that the co-op union take the initiative because it is the body closest to the grassroots.

Eventually if there are enough worker co-operatives, they could form their own development group.

- Is there a specific program that will be announced?

- The provincial cabinet has approved a proposal to create a co-operative development strategy for P.E.I. The plan is being developed, but it is still not ready for release.

We are still working on a strategy for worker co-operatives. If we want to develop worker co-operatives -- something to which we are strongly committed -- either we have to create new

policies or change existing programs.

- Is there much grassroots pressure for the government to support worker co-operatives?

- A government program for worker co-operative development is an initiative that I have taken myself to help create jobs in rural areas. I've never received a lot of grassroots pressure. But I know that the people support what we are doing.

Individuals who have an idea for a business can usually get support from our government. I want the same access for groups of workers.



Industry Minister Leonce Bernard (left) receives first bag of Olde Barrel potato chips from Jean-Paul Arsenault, Chairman of the P.E.I. Potato Chip Co-operative. (Photo courtesy of La Voix Acadienne.)

- Are you involved in the federal/provincial committee that is looking at worker co-operatives?

- Charles Mayer, the federal minister responsible for co-operatives, has hired a consulting firm to help produce a co-op development strategy. I don't believe that we can expect the federal government to develop worker co-operatives.

- Is there political support within the P.E.I. government for what you are doing?

- The provincial cabinet took the initiative. It sees worker co-operatives as one component of a co-operative development strategy. We campaigned on this and we talk about it in the provincial legislature. The problem is to find the financing. P.E.I. is strapped financially, so we have to address that. I want to allow worker co-operatives to get the benefit of our province's Industrial Development Program.

- You've been called the most knowledgeable minister responsible for co-operatives in Canada. Do you deserve that reputation?

- I can't talk about other ministers, but I believe in the philosophy and principles of co-operation.

- Are you familiar with the Mondragon experiment?

- I saw the BBC film about Mondragon and it really motivated me to do something for worker co-operatives in P.E.I.

You have to look at the time that the Mondragon co-ops were developed. It would not be possible to do the same now.

With the strength of the co-op movement in Canada, I see much potential for developing worker co-operatives. For example, most of the consumer co-ops in Canada are marketing under the co-op label the products of private companies. Consumer co-ops are a potential market for worker co-operatives that could produce these same products.

If I had a vision of a true form of co-operation, it would be to make sure that all products with co-op labels come from a co-op base -- that is, they are produced by worker or producer co-operatives.

*For more information, the Honourable Leonce Bernard can be contacted at the Department of Industry, Shaw Building, P.O. Box 2000, Charlottetown, P.E.I. C1A 7N8; (902) 368-4240.■*



## Conferences

### Paris conference

The future of democratic enterprises will be the focus of an international conference in Paris, February 23-26, 1988. Organized by a special committee of the International Co-operative Alliance, CIOPA (International Committee of Productive and Artisanal Co-operatives), the conference hopes to attract scholars, practising co-operators, trade unionists and entrepreneurs from Europe, the Americas and Asia.

The three principal themes of the conference will be:

- forms of industrial democracy in different countries;
- democratic enterprises in a technologically and sociologically changing world; and,
- interest by and activity among young people in democratic enterprises.

*A call for papers has been issued. Interested parties should contact CIOPA, 15 route des Morillons, CH-1218, Grand-Saconnex, Geneva, Switzerland.■*

### Work values conference

An international conference on work values, quality of work life, creativity motivation and related subjects will be held June 26-29, 1988 at the Karl Marx University of Economic Sciences in Budapest, Hungary.

*For more information, address correspondence to Karl Marx University -- Economic Conference on Work Values, Budapest 62.Pf.9., 1387 Hungary.■*

\* \* \*

### CIRIEC conference

The French section of CIRIEC will hold an international conference -- "Mixed economy systems in modern economies" -- in Bordeaux, France. *For information contact CIRIEC, Université de Liège, Sart-Tilman-Bâtiment B31, B-4000, Liège, Belgium.■*



## Evangeline worker co-op a success: Olde Barrel chips in demand

Brian Iler

The Prince Edward Island Potato Chip Co-operative has achieved sales which are nearly double projections for its first year of operation. A second shift was even added for a few weeks to keep up with demand.

Marketing efforts were directed initially at Prince Edward Islanders, but there is now province-wide distribution in New Brunswick. Sales have been sparked by a sophisticated \$90,000 advertising campaign, under the direction of a Halifax-based advertising agency.

Now the co-op has decided to direct its own marketing by hiring two new salespersons.

### Cautious approach

Notwithstanding this early success, Alcide Bernard, the co-op's manager and an originator of the business plan, says expansion will not be rapid. "We could outgrow our facilities very soon, but we want to go slow. It is important to work for a full year in order to evaluate progress."

Another originator of the potato chip co-op was Leonce Bernard, who was then manager of the Evangeline Credit Union and who is currently Minister of Industry for P.E.I.

Resources available from the Evangeline network of 14 co-operatives were key factors in the start-up and success of the co-op:

- \$70,000 in members' equity borrowed through the credit union;

- \$51,000 invested by the credit union in common shares, a working-capital loan secured by a



Alcide Bernard, Manager of the P.E.I. Potato Chip Co-operative.

second mortgage; and

- \$35,000 from the credit-union-based venture capital group.

The balance of the capital requirements came from a combination of provincial and federal industrial-development programs.

The co-op adopted the criteria of prior participation and interest in co-ops in selecting its 14 members. Of the 120 applicants, only two were put off by the worker co-op concept.

Another factor in the current success is the strength of management. While Alcide Bernard had no prior experience in the potato-chip industry, he grew up in the Evangeline region, obtained an MBA from the University of Moncton, and managed the Acadian Pioneer Village, a community-based co-op. He also worked as a community development officer in the region.

Plant operations have been smooth so far. The only initial problem was accessing potato-chip technology but that was solved by a visit to the U.S.

Dividends are based on the hours worked (excluding overtime). In the case of dissolution the co-op's net assets would be distributed to members according to labour contribution. A seven-member board meets monthly, and all the members meet weekly. French is the working language.

### Potential problems

It is clear that the mammoth chip producers -- Hostess, Humpty Dumpty and Frito-Lay -- won't take kindly to losing shelf space and market share to "Olde Barrel", but how they will respond is uncertain.

Also, support from the consumer co-op sector has not been as strong as Alcide Bernard expected. One hopes that will change.

Brian Iler is a partner in the firm of Iler, Campbell and Associates, 150 Simcoe St. Toronto, Ont. M5H 3G4; (416) 598-0103.





## People

### Amand Arsenault: *A vertebra in the co-operative backbone of P.E.I.*

Raymond J. Arsenault

Those who know Amand F. Arsenault admit that he has a crazy sense of humour. Whether he is throwing jokes between his lively accordion tunes or taking kleenex out of the top of his paper-bag mask, in imitation of the Unknown Comic, there is no question that Amand likes to laugh and to make others laugh.

But, when it comes to co-operative business, there are few more serious and more sincere people in P.E.I.'s Evangeline region.

If ever some foreign army were to come in and try to put an end to the co-op movement in his native province, Amand would be one of the first co-operators to get up and fight for what he dearly believes in. Doing anything less, to him, would result in "the disintegration of society as a whole".

"When people lose control of their destiny, they must surely lose a part of their soul," believes Amand Arsenault.

Amand, at 32 years of age, is evidently convinced of the great value of co-operation. He's proved it time and again. He could easily be called a vertebra in the economic backbone of his native region, thanks to his strong co-operative convictions.

Currently the assistant manager of the Evangeline Credit Union, Amand has also been for the past two years the chairman of the board of directors for the Conseil de la coopération de l'Ile-

du-Prince Edouard, the umbrella association for the area's 14 francophone co-operatives. He's been a board member for eight years.

His main priorities as chairman are to promote the co-operative movement and to assure that the local population supports it. The Council also helps to educate co-op members, while at the same time promoting the French language and culture of the area. In the past few years, the Conseil has been heavily

involved in the development of worker co-ops.

For an eight-month period, a couple of years back, Amand served as general manager of the Conseil -- just as the idea of the first worker co-op, the P.E.I. Potato Chip Co-operative, was being tossed around.

He co-ordinated many aspects of the planning, including the organizational meetings, the hiring and training of employees, the construction of the plant and



*Amand F. Arsenault, Chairman of the Le Conseil de la Coopération de l'I.-P.-E., (left) presents Co-op Order of Merit to Leonce Bernard, former manager of Evangeline Credit Union and chairman of the Conseil Coop (now provincial Minister of Industry.)*

the financing of the new company. He served as the main liaison between the co-op and various groups, such as the Evangeline Capital Venture Group, the Baie Acadienne Industrial Commission and the provincial Department of Industry.

Even after he returned to his former job as credit union assistant manager, Amand continued to do much of that type of work, in addition to his regular job -- not only out of the goodness of his heart but more in accordance with his deep-rooted belief in the co-op way.

During the organizing phase of the second worker co-op, a children's clothes-manufacturing outfit named "Les P'tits Acadiens", Amand, as chairman of

the Conseil Coop, made sure all the decisions taken by the board on the matter were carried out.

Both projects, in addition to the new cable company called "La Coopérative de communication communautaire", were put together in a very efficient manner, thanks in part to Amand's efforts. All are faring better than expected, especially the worker co-ops.

In the past, Amand has served as chairman of the Conseil acadien du développement économique, board member for the Wellington Co-op for six years (three as chairman), and treasurer of the Evangeline Recreation Commission.

He is currently the provincial representative on the board of

directors of the Conseil canadien de la coopération as well as chairman of the P.E.I. Committee of Co-operatives and Credit Unions.

No matter what organization Amand gets involved in, he always aims at the same targets: working with other people for the social and economic welfare of the community and responding to the needs of its people for the betterment of their lives.

**Raymond J. Arsenault** is editor-in-chief of *La Voix Acadienne* (the only French-language journal in P.E.I.), 340 Court St., P.O. Box 1420, Summerside, P.E.I. C1N 4K2; (902) 436-6005. ■



## Around the World

### BELGIUM

#### Fruit wine co-op

Geodelgen, a most remarkable co-operative, was created in 1983 by three farmers and a teacher who wished to promote the local production of fruits, particularly apples.

Located in Pepinster (Wallonie), this wine co-operative produces the "pommelou" from apples, the "cerilou" (from cherries) and the "prunelou" (from plums). The resourceful co-operators have also created the "aperilou" by blending the three wines.

In 1985, Geodelgen produced 35,000 liters of wine and in 1986, twice as much. Sales have gone

far beyond the regional boundaries, with some of the wines being exported to Canada and the USA.

As it takes one year for the wine to "mature", Geodelgen is currently faced with a shortage of its popular cherry wine.

#### Le vin de fruit, ça rapporte!

La coopérative Geodelgen a été créée par trois agriculteurs et un enseignant, en 1983. Elle concrétise l'idée de valoriser la production locale de fruits, notamment de pommes.

Aujourd'hui, Geodelgen produit le "pommelou", mais aussi le "cerilou" et le "prunelou". Enfin, idée originale, les coopérateurs ont imaginé de mélanger les trois vins pour en tirer un "aperilou". Noms

charmants bien appropriés aux breuvages fabriqués à Pepinster.

En 1985 Geodelgen a produit 35.000 litres de vin. En 1986, la production a doublé. La vente a largement dépassé les limites régionales. Certaines spécimens s'en sont d'ailleurs allés aux USA et au Canada. A noter que le vin de fruit exigeant une année pour "se faire", Geodelgen se trouve pour l'instant en rupture de stock pour ce qui est, par exemple, du vin de cerise.

*Extrait de: Alternative Wallonnes no. 49-50, 15 avril 1987 (adresse: Solidarité des Alternatives Wallonnes ASBL, Av. Général Michel 1B-6000 Charleroi Belgique). ■*

## NETHERLANDS

Between 4,000-5,000 people are members of labour-managed firms in this country. Most are in the construction and printing sectors. These firms are assisted by the Self-Management Foundation, a resource group that provides advice and training and assists in arranging financing. Financing is secured from the Rabobank and with the support of labour unions from an organization for workers' participation.

### Fondation autogestion

Aux Pays-Bas, le mouvement des coopératives de travail a créé en 1982 la Fondation Autogestion afin d'y promouvoir le courant autogestionnaire. Entre 4000 et 5000 personnes travaillent actuellement dans des entreprises autogérées des Pays-Bas, les secteurs d'activité les plus importants étant la construction et l'imprimerie.

La Fondation offre des services de conseil (lors du démarrage ou de la reprise), de formation, d'intermédiaire entre ces entreprises et les forces politiques et financières. Elle obtient du financement principalement auprès de la Rabobank et en collaboration avec les syndicats dans le cadre d'une "société de participation des travailleurs".

Source: *Coopération, organe de la Fédération belge des coopératives (Febecoop), décembre 1986; 28 rue Haute, 1000 Bruxelles - Belgique.* ■

## FRANCE

*SCOP PLUS* -- the magazine of France's worker co-ops -- provides the following profile of that country's worker co-op movement:

- sixty per cent of members and managers are less than 40 years old;
- about 75 per cent of employees of worker co-operatives are shareholders and therefore share the profits;
- average profits are one-month of salary per member;
- the assets of worker co-ops are on average equivalent to 10 months' salary per member;
- French worker co-ops are innovating in the fields of computers, aerospace, solar energy, scientific research and robotics.

### Les SCOP:

- 60 pourcent des sociétaires et dirigeants des SCOP ont moins de 40 ans;
- Près des 3/4 des salariés sont actionnaires de leur entreprise et participent aux résultats;
- Moyenne des bénéfices par SCOP: un mois de salaire par sociétaire;
- Les capitaux générés par les SCOP représentent en moyenne 10 mois de salaire par sociétaire.
- Beaucoup de SCOP interviennent et innovent dans les domaines suivants: informatique, aérospatiale, énergie solaire, recherche scientifique, robotique, productique. ■

## ITALY

Italian worker co-operatives have been very successful in major public works projects in the Third World. CMC co-operative of Ravenna -- Italy's largest worker co-operative with 2,000 members -- has just completed a \$140-million (U.S.) contract, the Pequenos Libombos Dam in Mozambique.

A consortium of three other large Italian construction co-ops -- CMB, Edilter and Edilcoop -- are working on the Corumana dam in Mozambique, a contract worth \$169-million (U.S.).

Italian construction co-ops have made a name at home in public works, civil engineering and house building. In recent years, the construction co-ops have turned to international markets. Edilter now derives one-third of its revenues from work abroad, including the construction of a large shoe factory in the U.S.S.R.

Other contracts include sewer systems and aqueducts in Somalia; a water-treatment plant, sewers, and dairy-products plants in Algeria; a dam in northern Tunisia; aqueducts in Mozambique and the Ivory Coast. The Italian construction co-ops are looking for new markets in Latin America, Asia and Eastern Europe. ■

*Notes from the Netherlands, Belgium and France were prepared by Johanne Bérard, Centre de gestion des coopératives, École des HEC, 5255 avenue Decelles, Montréal, Que. H3T 1V6.*

## FIJI

### Workplace democracy at Fiji's international airport

Anand Chand

Since 1981, the ground services at Fiji's Nadi International Airport have been operated by a unique joint venture between government and labour. And the experiment has proved so successful that in 1986 Japan Airlines judged Nadi as providing the best ground-handling services in the world.

This record is all the more impressive considering the labour unrest which plagued Nadi Airport in the days before worker participation, when QANTAS managed its terminal services.

Nadi is often referred to as the crossroads of the South Pacific. Situated some 2,000 km north of Auckland, New Zealand, and about 5,000 km southwest of Honolulu, it provides a convenient stopping-off point on the Australia/North American route and is well served by international airlines.

Nadi Airport serves the island nation of Fiji, an archipelago of more than 300 islands with a total land area of 18,000 sq. km and a population of about three-quarters of a million. The major income earners of the country are sugar cane and tourism.

### ATS (Fiji) Ltd.

Air Terminal Services (Fiji) Ltd. was created in April, 1980, by a cabinet decision. As the

government of Fiji did not want to be directly involved in managing ATS, it called upon the Civil Aviation Authority of Fiji to form the new company with CAAF holding 51 per cent of the shares and ATS Employees Trust holding the remaining 49 per cent.

The concept of worker democracy was built into the new organization largely as a result of pressure from the union, the Federated Airline Staff Association (FASA). There are both direct and indirect forms of democracy at ATS (Fiji) Ltd. At the shop-floor level, workers form semi-autonomous groups which meet once a week to discuss the various matters relating to their work. Indirect participation is through worker representatives on the board and on standing committees. The various levels of worker partici-

pation are guaranteed in an agreement between the company and the workers' union. This agreement is legally binding on both parties and cannot be unilaterally changed by either side.

When workers join ATS they are given the option of joining the Employees Trust. A share costs \$2,500, normally paid by an initial deposit of \$100 and \$20 salary deductions. The Trust pays an average annual dividend of \$250-300 per worker. About 170 of the 300 workers of ATS have taken out full financial membership. Since 1981, not a single working day has been lost because of industrial disputes.

Anand Chand is a lecturer in Sociology at the University of the South Pacific (Suva, Fiji). He is writing his MA thesis on ATS (Fiji) Ltd.



Fijian countryside.

## UNITED KINGDOM

Norma Henderson

### ICOF Fund

The ICOF share launch, reported in the last issue of *Worker Co-ops* has now raised over £500,000. Initially the response from worker co-ops had been disappointing, with only two investing a total of £1,000. This is not surprising given the present economic situation.

The largest subscription has come from the Co-op Bank who have purchased £20,000 worth of shares. The average shareholding is £930, and only 32 per cent of shareholders have purchased the minimum shareholding of £250.

### New co-op registrations

In the 12 months ending July, 1987, ICOM processed 249 new registrations. The geographical breakdown shows the effect of having local Co-op Development Agencies: where there are few registrations, there is usually no local CDA present in that area.

Sixty-one of the new registrations are in the London area.

### Award to co-ops

To mark the retirement of Bob Edwards, ICOM president and Labour Co-operative M.P. for Bilston, the Co-operative Bank has initiated an award for the "Small Co-operative of the Year". Edwards retired before the last General Election.

The Bob Edwards Award is open to co-operatives with 10 or fewer full-time workers, and it carries a first prize of £1,000.

The panel of judges, drawn from the worker co-operative movement, will be looking for a co-op which has demonstrated its ability to survive the difficult setting-up period and which is now set to meet the challenge of the future. The judges will also be looking for co-ops which have demonstrated a commitment to the co-operative principles.

### London Co-operative Enterprise Board gets back into gear

The LCEB was set up during the lifespan of the Greater London Council in order to provide loans for co-ops. With the abolition of the Metropolitan Councils, including the Greater London Council, the LCEB had to suspend issuing loans for a time.

The good news is that the LCEB is now back in business. Its loans are made on the basis of a comprehensive business plan which must show that the business is a genuine co-operative with the potential to be commercially viable. Security is not required, frequently an important issue for co-operators.

Loans are made for a period of up to seven years and are repayable at a fixed rate of interest. LCEB will supply up to 80 per cent of the capital required by new co-ops, and up to 50 per cent of capital to existing co-ops. Sections of the budget are specifically allocated to "priority groups", e.g., women, ethnic

minorities, lesbians and gay men, and those with disabilities.

### About Turn

About Turn is a new co-op which has been set up by a group of users of the Psychiatric Day Hospital in the London borough of Hackney. It formed after a discussion of the problems faced by people suffering from mental distress in finding employment.

About Turn has been in close consultation with various voluntary and local authority agencies who are linked with mental health issues. The co-op initially plans to make "educational" toys for handicapped children and a range of household aids for the disabled. About Turn Enterprises is the first co-op to have been set up, by and for mentally-distressed people. ■

\* \* \*

## SCOTLAND

### ICOM's first Scottish conference

ICOM hosted its first conference in Scotland on June 6-7, 1987, in Glasgow.

The final plenary discussed the role of ICOM in Scotland -- a role which is not immediately clear. ICOM recognizes its lack of activity in Scotland, but feels that Scottish co-ops need to be part of the wider U.K. movement. Also it was felt that Scottish co-ops could benefit from some of the work which has

been carried out elsewhere in Britain to strengthen co-ops. In particular, the method of building up trade sectors, for example the wholefood sector, might be useful for Scottish co-ops.

It is unlikely that ICOM's traditional role in registering new co-ops will find much favour in Scotland, because ICOM charges for the service while the Scottish Co-operative Development Committee (SCDC) does it for free. ICOM will have to tread carefully in Scotland. Rightly so, considering that SCDC is one of the most senior co-operative development agencies in the U.K.

## Local CDA to open in Edinburgh

Scotland's first local co-operative development agency will be opening soon in Edinburgh. The initiative for this venture came from the Edinburgh Federation of Worker Co-operatives, a group formed by co-ops in Edinburgh in 1984 as a forum for discussion and co-operation. The Federation felt that the presence of a local CDA would help co-ops after start-up, a task which is difficult for the SCDC which is based in Glasgow.

*Norma Henderson is a graduate student in the co-operatives Research Unit, Faculty of Technology, Open University, Walton Hall, Milton Keynes, United Kingdom MK7 6AA. ■*

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## MONDRAGON

*Mary Carmen Romero*

### FAGOR increases exports

FAGOR-Aurki, one of the pioneer Mondragon co-ops and a leader in the area of electronic and domestic appliances, is experiencing a considerable increase in exports of numerical controls to the United States, Japan and other Far Eastern countries.

In 1986, FAGOR-Aurki increased its sales by 54 per cent over 1985, and its exports by 48 per cent. Also, it began exports to seven new countries. It now has subsidiaries and distributors in 37 countries and has signed contracts with India and China.

### Olympic and Expo contracts

The Orono Co-op won the contract to build the spatial structure of the olympic stadium for the 1992 Barcelona olympics. Designed by Japanese architect Arata Isozaki, the project will be the architectural symbol of the Barcelona olympics.

Orono is presently bulding the spatial cover for the general pavilion of Expo to be held in 1992 in Seville. The Seville Expo will commemorate the 500th anniversary of Christopher Columbus's arrival in America.

*(Prepared from the Mondragon publication, Lankide, by Mary Carmen Romero.)*

## U.S.S.R.

There are now 8,000 worker co-operatives in the U.S.S.R., most in such services as restaurants, taxis and house repairs. The development of worker co-operatives is associated with efforts at introducing limited forms of private ownership into the Soviet economy.

This movement is most widespread in the Baltic region of the U.S.S.R. However, at last count there were 16 worker co-op restaurants in Moscow.

Financing arrangements vary. In some cases, the members own all of the capital assets; in other cases the equipment and building are provided by the state and the co-op controls the service. For restaurants, it is common for the state to set prices.

Efforts to create co-ops in the manufacturing sector have proven more difficult because of the inability to acquire essential raw materials.

The ease with which co-operatives can be formed varies according to the region of the country. However, in general it has been relatively easy for retirees and for those on second jobs. Even with these changes, the total private sector involves only 200,000 workers, and worker co-operatives are only a subset of that group.

*For more information, contact Igor Lobanov, press attaché, Soviet Embassy press office, 400 Stewart St., Apt. 1108-1110, Ottawa, Ontario K1N 6Z8; (613) 235-4341. ■*

## UNITED STATES

*Frank Adams*

The American worker-ownership movement continues building regional momentum.

### Southern support

In November, the Southern Regional Council, led by its executive director, Steve Suits, an attorney, and Ray Marshall, former U.S. Secretary of Labor in the Carter administration, passed a resolution backing worker ownership. Democracy must be extended to the workplace, the resolution argued, if the nation is not to split into those who have and those who are without.

The Council is the South's oldest surviving inter-racial organization. During its 50-year history, the council has used similar resolutions to push for school desegregation, voting rights and fair employment.

And up in Asheville, North Carolina, bakers converted the corporation they worked for into the Muffinman Co-operative. According to John Senechal, a building contractor who helped convert the firm, "the chartered goals of the co-operative are to produce the highest possible quality foods and baked goods under a reasonable and profitable business structure that promotes the health and well being of the workers and consumers and to create meaningful and empowering jobs that contribute positively to the quality of life in our community and market area."

### Western action

In Silver City, New Mexico, scene of one of the most bitterly fought union battles in American history, the Grant County Co-operative Development Corporation is up and running after two years of discussions. With the use of Catholic church funds, the group plans to promote and start worker-owned firms. Already, workers have arrived at their doorsteps with ideas for two co-operatives.

And on the West Coast, the Puget Sound Cooperative Association, long one of the nation's model federations serving primarily consumer and service co-ops, is planning a two-day conference on worker ownership. Over 100 persons from unions, government, churches and the historic plywood mills are expected.

Meanwhile, in Berkeley, California, the well-known Berkeley Co-ops, perhaps the nation's largest food co-operatives, have re-organized as worker-owned businesses. They were assisted by Jill Storey and Susan Green, two seasoned business analysts, who have formed a consulting firm for worker ownership operating out of San Francisco.

### Ohio, too

"There seems to be a lot of interest in worker ownership in Northeast Ohio," writes Catherine Ivancic, who works with the Ohio Employee Ownership Education Project at Kent State University. The City of Kent

has created a revolving loan fund to help finance local economic development, including worker-owned businesses. In the last decade, there have been 47 attempts in Ohio to save jobs through worker buyouts, according to John Logue, a sparkplug behind the movement. "Though most of the buyout efforts failed, partial or complete employee ownership helped save 20,000 jobs in 18 companies," he reports.

*Frank Adams is director of educational services for the Industrial Cooperative Association, (58 Day St., Ste. 200, Somerville, MA 02144, USA; (617) 629-2700), and co-author with Gary Hansen of Putting Democracy to Work: A Practical Guide for Starting Worker-Owned Businesses.*

### "We try harder!"

Avis -- the other guys in the auto-rentals business -- has been purchased for \$1.75-billion by its 11,000 employees using an ESOP trust fund.

One hundred thousand of Avis's 330,000 cars were used as collateral for a \$1-billion loan from the Irving Trust Co. of New York. An additional \$395-million of financing was arranged from General Motors Acceptance Corp., Chrysler Credit Corp. and Pittsburg National Bank.

Avis's previous owner, Wes-ray Capital Corporation of Morristown, New Jersey (led by former treasury secretary William Simon), purchased the world's second-largest auto rental com-

## Around the World

pany in 1986 through a leveraged buyout. According to *Newsweek*, "Wesray used ESOP tax breaks to turn its small investment in Avis into a \$500-million payoff, while still retaining a stake in the company."

### Hospital workers buyout

Another recent controversial ESOP buyout is that of Health Trust Inc., a new company which owns 104 hospitals, primarily small and rural; its 30,000 employees invested their entire pension fund in an ESOP to partially buyout the company.

Health Trust, a division of the giant Hospital Corporation of America, is financially troubled. Although employees risk losing their pension fund if hospital occupancies do not increase, the alternative might have been hospital failures and massive layoffs.

The National Center for Employee Ownership estimates that there are 8,000 ESOPs in the U.S. covering 7.8-million workers. Tax breaks through ESOPs are estimated at \$2- to 3-billion annually.

Some worker co-ops are financed through ESOPs (e.g. Philadelphia's O&O supermarkets). In these cases the shares in the ESOP trust are controlled by the workers.

## CHILE

In the context of the brutal oppression and economic stagnation of the Pinochet government, a co-operative form of subsistence economy has evolved in Chile. Popular Economic Organizations (PEOs) have been organized for labour workshops, soup kitchens, health services, warehouse supplies, etc.

Based on mutual help and

collective decision-making, the PEOs often receive support from non-governmental organizations, such as church groups.

Research indicates that there are about 500 PEOs with 20,000 members Chile's Santiago region of Chile. If and when the Pinochet regime is ousted, it will be interesting to see whether the PEOs form the basis of formal co-operative enterprises, e.g., worker and consumer co-ops. ■



CHILE 83

*A collectively produced cloth arpillera depicting a co-operative soup kitchen.*





## Across the Nation

### NATIONAL

*Albert Chambers  
Mark Goldblatt*

#### Canadian Co-operative Association

The long-awaited amalgamation of the Co-operative College of Canada and the Co-operative Union of Canada was completed at a special meeting in Winnipeg on September 24, 1987.

The new organization, the Canadian Co-operative Association (CCA), will carry on the respective mandates of the two predecessor organizations, but its objectives have been broadened to include a new emphasis on research, institutional development, image and policy development. Semi-annual policy forums are being planned to stimulate greater participation from member-organizations.

#### Worker co-ops, first major CCA initiative

At its first full board meeting, on November 14-15, 1987, the CCA decided to set up a Worker Co-op Advisory Committee.

Norm Bromberger, CEO of the Credit Union Central of Saskatchewan, agreed to be the chair, and a number of CCA's member-organizations designated volunteers to participate. The mandate of the committee includes developing strategies both within the co-op movement and in conjunction with government to spark the emergence of a worker co-op sector in Canada.

CCA has submitted an application for a \$250,000 grant under

the federal Innovations program to identify the significant variables that need to be in place to support a successful worker buy-out. This research will focus on the Winnipeg and Toronto regions. Toronto's Worker Ownership Development Foundation was involved in the preparation of the application.

The application replaced a previous one for \$3.87-million which had met stiff resistance at the civil-service level.

#### Regional development shuffle

The restructuring of the federal government's regional development programs continues. First out of the gate, with its billion-plus dollars, was the Atlantic Canada Opportunities Agency (ACOA); next came the Western Diversification Office (WDO).

Both new agencies, with senior cabinet ministers in charge, have assumed the existing mandates in their regions of the Department of Regional Industrial Expansion. With DRIE funds transferred and new money added, these "closer to the action" agencies have already begun to spend. Regional offices in Moncton and Edmonton have been established. Innovative initiatives and those focusing on diversification will receive top priority.

Central Canadian regional development problems are the responsibility of the Department of Industry, Science and Technology.

*For more information, contact Albert Chambers, Director of Government Affairs, Canadian Co-operative Association, 400-275*

*Bank St., Ottawa, Canada K2P 2L6; (613) 238-6711.*

*Mark Goldblatt is executive director of the Co-operative Housing Foundation of Canada, 202-275 Bank St., Ottawa, Canada K2P 2L6; (613) 238-4644.*

#### Another multi-stakeholder co-op at Co-operators

The Co-operators Group -- the holding company that includes Co-operators Insurance -- is planning another "multi-stakeholder" co-op in one of its subsidiaries.

At press time, Co-operators Communication was still awaiting Board of Directors' approval. However, it is anticipated that the small co-op will proceed with about eight members who will provide audio-visual services both to the Co-operators Group and to the public.

Sales are expected to be \$500,000 in the first year and it is expected that the Group will provide about \$500,000 of start-up capital.

As noted in *Worker Co-ops* (Winter 1987, p. 10), two other Co-operators subsidiaries -- Co-operators Data and Co-operators Development Corporation -- have been set up as multi-stakeholder co-ops. In those co-ops, staff, consumers and the Co-operators Group are represented on the Board. It is anticipated that Co-operators Communication will have a similar organization.

*For more information, contact Peter Hlushko or John Jordan, The Co-operators, Priory Square, Guelph, Ont. N1H 6P8; (519) 824-4400.*

# Across the Nation

## BRITISH COLUMBIA

*Melanie Conn &  
Dana Weber*

### Co-op business development study

A study is underway in New Westminster to assess the feasibility of establishing worker co-op development services in the region. Two co-op educators and consultants -- Melanie Conn and Shane Simpson -- have been hired by NWEDA, the New West Economic Development Association, to design and conduct the four-month study.

As the eastern terminus for the first leg of Vancouver's elevated transit line, New Westminster is a rapidly growing community. NWEDA functions as a catalyst for economic devel-

opment. Its members include representatives from the business community, educational and financial institutions, government and the labour movement. NWEDA's economic-development plan includes worker co-ops as an strategy to create stable, community-based employment.

The study will examine the nature of potential services for worker co-op development, ranging from the provision of information through existing resources to the establishment of a free-standing resource centre. The consultants will be presenting their report to NWEDA early in February, 1988.

*For more information, contact Randi Duke at Douglas College, Development Office, P.O. Box 2503, New Westminster, B.C. V3L 5B2.*

### Co-op wins national award

Lamford Forest Products is a worker-owned specialty wood products company in New Westminster. It is an example of a successful conversion from a conventionally-owned company to worker ownership, with workers retaining I.W.A. union certification (*Worker Co-ops*, Spring, 1986).

Lamford recently received the prestigious Canada Award for Business Excellence in the Labour-Management Co-operation category. This is the fourth year of the annual awards, sponsored by the federal Department of Regional Industry and Expansion. There were 625 nominations in eight award categories.



*Lamford Forest Products mill at Sooke on Vancouver Island.*

# Across the Nation

## CRS may be number one in western Canada

Vancouver's CRS Workers' Co-op may now be the largest natural foods distributor in western Canada, according to the co-op's most recent information. Determining market share in the health-food industry is a rather imprecise exercise, according to Marty Frost, CRS general manager. Based on market research undertaken by La Balance, a co-operative warehouse in Montreal, CRS was ranked third in the western Canadian market. But CRS's own survey at a recent natural foods industry conference indicates the co-op could be number one in the region. Almost all the retailers in attendance used CRS to some extent, and for many, it was the chief supplier. Another indicator: 80 percent of products bearing the Lifestream brand-name are now shipped by CRS.

One thing is certain: business at CRS is booming. Annual sales through the warehouse now top \$4-million, and conservative estimates of 1988 sales range from \$4.7- to 5-million. The co-op's bakery division, Uprising Breads, accounts for another \$800,000 per year, and it has consistently exceeded its budgeted targets during 1987. Part of the bakery's growth is due to a recent expansion of its capacity and the addition of new product-lines.

The CRS warehouse operation has also moved; its new location, in southeast Vancouver, is double

the size of the former building. The CRS catalogue lists about 200 new products, many in new areas such as health and body care.

This expansion means CRS will be seeking two new mem-

bers. Finally, the warehouse has spruced up its image and changed its name to coincide with the move. While the co-op's legal name remains the same, the warehouse is now known as Horizon Distributors.

## Big marketing push at Baseline

With the addition of a full-time sales-person, marketing has become much more important to Baseline Type and Graphics Co-op in Vancouver.

According to Baseline's Nora Ready, the increased emphasis on marketing can be traced directly to some personal goals of the coop's membership. "One of the things we wanted to do was get more complicated, interesting and creative jobs, rather than mechanical ones," she said. Members also felt that it was time to see an increase in their own standards of living, and that required increasing sales.

Baseline's co-operative structure meant the workers could then participate in creating a business plan that met their needs. They knew they wanted to do certain kinds of jobs, and they had some idea who the customers, or "target markets", were for those jobs. However, they felt they were short on the sales skills necessary to get the product to those customers. So they

created the new sales position to fill the gap.

In Rick Haines, says Nora Ready, "Baseline found someone who knew sales, wanted a challenge and was sympathetic to co-ops." Rick has been on the job for about three months, and his effort is already having an effect on the type and volume of Baseline's business. The co-op is serving more corporate clients, and it's getting more design work, as opposed to mere typesetting, for products like corporate brochures, annual reports and large displays for trade shows.

The salesperson's job pays a base salary plus commission, but it is hoped that this investment will pay off in higher salaries for everyone.

Melanie Conn and Dana Weber can be contacted at Worker Co-op's B.C. Desk, 1646 West 7th Ave., Vancouver, B.C. V6J 1S5; (604) 430-0450.

# Across the Nation

## B.C. buyout

Vancouver's Granville Book Company is a two-year-old buyout of the now-defunct Mall Book Bazaar. When the owner of the Mall decided to close the company, Jim Allan -- the manager -- attempted to organize a buyout that involved six employees each putting up \$10,000 for the purchase.

This arrangement fell apart because some of the employees lacked financing. Allan, himself, then went ahead with the purchase after arranging a \$30,000 Federal Business Development Bank loan.

Subsequently, and against the advice of his lawyer, Allan gave half of the shares to his employees. This was made possible because the Vancouver Magazine Service granted Granville Books \$72,000 worth of stock on credit.

The first year's operations have been very successful -- the six owners shared a first half-year bonus of \$20,000 and the loan has been paid off. Now Granville is considering expanding to a second store.

*(Reported in Quill & Quire, October, 1987.)*

## ONTARIO

Ethan Phillips

### Worker Ownership Development Foundation

The Foundation has begun a number of new projects:

- 1) a video which will introduce prospective worker co-op members to the basics of starting a worker co-operative;
- 2) education materials for Board development, financial management, and membership policies;
- 3) a manual which outlines early warning signals of plant shutdowns and which describes alternatives including worker co-op buyouts.

### Government response

The Ontario government has decided to issue a discussion paper outlining proposed changes to the Ontario Co-operative Corporations Act. The discussion paper will be a response to a package of amendments submitted to the Ontario government over a year ago. The proposed package included comprehensive worker co-op provisions.

The Ontario government is committed to creating an Office of Industrial Restructuring, a small unit headed by a Commissioner. The Commissioner would be responsible for creating options, including "employee participation options", for preventing plant shutdowns.

### Co-operative Work

Co-operative Work, an Ontario-based worker co-op resource group, is undertaking an ambitious national marketing campaign. According to Marty Donkervoort, a senior consultant with the group, the objective of the campaign is to identify areas where Co-operative Work's skills and expertise can complement those of local resource providers.

Co-operative Work is also undertaking an assessment of those sectors of the economy which hold potential for worker co-op development. This is the first step in a proactive strategy for development.

*Ethan Phillips is director of the Worker Ownership Development Foundation, 348 Danforth Ave., #212, Toronto, Ontario M4K 1N8; (416) 461-6992.*

### Buyouts

According to *Small Business* magazine (October, 1987, p. 8), "corporations are selling off or closing unnecessary divisions and money-losing units," and quite often the purchasers are employees. None of the examples cited

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by *Small Business* involves broad employee ownership.

In May, 1987, the general manager of Xerox Reproduction Centres, a division of Xerox Canada Ltd. in Toronto, organized a buyout with a group of employees. Now called Command Graphics Communications Ltd., the company employs 140 people and offers specialized copying services in six branches across Canada. Revenues for 1987 are projected to be \$15-million, an increase of \$2.5-million from 1986.

Two years ago, 10 employees of Control Data purchased that corporation's business products division for \$9-million. Tenex Data Corp. employs 140 people in seven locations across Canada. It projects 1987-sales of \$40-million for its products which include printer ribbons and floppy disks.

Hudson Bay Diecasting Ltd., a money-losing division of Hudson Bay Mining and Smelting Co. of Flin Flon, Manitoba, was purchased by three employees in 1984 through a loan from the Royal Bank and a loan from the parent company that included a vendor-buyback agreement.

The new company, Hudson Bay Diecasting, sells zinc parts to auto manufacturers from its Brampton plant where it employs 270 people. The company projects sales of \$25-million and a profit for 1987.

## Lapp Insulators closes Canadian Porcelain plant

Another chapter -- perhaps the final -- has closed on the Canadian Porcelain saga (see *Worker Co-ops*, Summer, 1985).

Canadian Porcelain, a Hamilton plant that manufactured ceramic insulators for the heavy-duty electrical industry, originally went into receivership in December, 1984, after 72 years of operation.

After the closing, 60 workers, led by the Aluminum, Brick and Glass Workers Union, formed a co-operative and attempted to purchase the assets from the receiver, Peat Marwick representing the Royal Bank.

Just as negotiations between the worker co-operative and the receiver were proceeding -- the co-operative offering \$1.1-million and the receiver requesting 1.5-million -- a 1.25-million offer was accepted from Lapp Insulators, another ceramics insulator company with a head office in LeRoy, New York.

Lapp, together with some other companies, previously had been found guilty of dumping its products onto the Canadian market and thereby contributing to Canadian Porcelain's demise.

The receiver's decision to sell the Hamilton plant to Lapp was appealed to the federal cabinet, but without success. Critics of the Lapp purchase argued that the large American company had no serious commitment to the Hamilton plant.

History, for what it's worth, has proven the critics to be

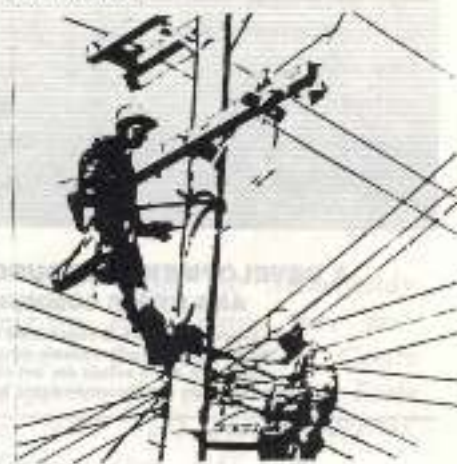
correct. Just two years after purchasing the Hamilton plant, Lapp decided to close it.

There is still talk of a workers' and possibly a community buyout, but as of press time there was nothing concrete to report.

The original effort to form a worker co-operative involved broad support from Hamilton community and church leaders and strong support from the co-operative community.

The \$1.1-million financial package for the purchase came from the Hamilton-Wentworth Credit Union, the Ontario Credit Union Central, Co-operators Insurance and CUMIS. The business plan was prepared by Co-operative Work consultants of Toronto. Unfortunately, the Canadian Porcelain co-operative was never given an opportunity to implement that plan.

For the latest information contact the Worker Ownership Development Foundation, 348 Danforth Ave., Toronto; (416) 461-6992.



## QUÉBEC

*Claude Carbonneau*

### Study of worker co-ops

The Co-operatives Branch of the Quebec government is about to undertake a major study of Quebec's worker co-operatives. Preliminary data indicate that there are about 350 incorporations, but only 200 active businesses.

With the exception of the more established forestry co-operatives, most of the worker co-operatives are new, very small businesses, and still have relatively weak sales.

More information is available from Michel Cournoyer, Co-operatives Branch, 710, place de Youville, 7th floor, Quebec City, Que. G1R 4Y4; (418) 643-5232.

### Entrepreneurship 1987: a special award for co-operatives

The economic and community development corporation (CDEC) of south-central Montreal is organizing a competition recognizing contributions of new enterprises to job creation in areas most affected by unemployment. Known as "Entrepreneurship 1987", the competition is for enterprises less than one year old, or that have start-up projects.

Four prizes worth \$10,000 each will be awarded in the categories of youth, women, cultural and co-operative enterprises. To win the award, ventures will have to demonstrate their viability, their potential for growth and the reliability of their promoters.

For matters relating to co-ops, the CDEC collaborated with the regional development co-operative for Montreal-Laval.

### The SDC

In order to take stock of the needs of co-operatives for technical and financial aid, the SDC (Société de développement des coopératives) has undertaken to meet with all the co-ops in Quebec. Already, the co-ops in the metropolitan Montreal region have been consulted as well as some co-op sectors.

The SDC hopes to improve its services and bring them in line with the co-ops' present needs. In doing this, the SDC meets the expressed wishes of the minister responsible for co-ops. He wanted the SDC to follow the example of the Industrial Development Corporation of Quebec and get more involved in providing technical aid.

During the next year, the SDC will work to develop new markets for worker co-ops. The SDC is now developing information tools better adapted to this specific clientele.

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### Un prix special pour les coopératives

La Corporation de développement économique et communautaire du Centre-Sud de Montréal organise un concours pour souligner l'apport de nouvelles entreprises en terme de création d'emploi dans les quartiers les plus touchés par le chômage. Ce concours, "Entrepreneurship '87", s'adresse aux entreprises ayant démarré leurs activités depuis moins d'un an ou ayant des projets de démarrage.

En fait, quatre prix d'une valeur de 10 000 \$ chacun seront attribués. Les catégories visées sont: les jeunes, les femmes, les entreprises culturelles et les entreprises coopératives. Pour se mériter un prix, les entreprises devront démontrer la viabilité de leurs projets, son potentiel de croissance et le sérieux de ses promoteurs.

En ce qui a trait aux coopératives, CDEC a obtenu la collaboration de la Coopérative de développement régional de Montréal-Laval.

## La SDC rencontre les coopératives

Désireuse de faire le point sur les besoins des coopératives en terme d'aide technique et financière, la SDC a entrepris de rencontrer l'ensemble des coopératives du Québec. Déjà, les coopératives de la région métropolitaine de Montréal ont été rencontrées ainsi que certains secteurs coopératifs.

La SDC souhaite améliorer les services qu'elle offre aux entreprises en les rendant plus conformes aux besoins actuels des coopératives. Ce faisant, la SDC répond aux vœux exprimés par le ministre responsable qui souhaitait que la SDC, à l'instar de la Société de développement industriel du Québec, s'implique davantage au niveau de l'aide technique aux entreprises.

Au cours de la prochaine année, la SDC s'attaquera plus précisément à développer de nouveaux marchés, à savoir les

coopératives de travailleurs. Elle travaille présentement à développer des outils d'information mieux adaptés à cette clientèle spécifique.

*Claude Carboneau is an information officer at the Société de développement des coopératives, 430 Chemin Ste. Foy, Québec City, Québec G1S 2J5; (418) 687-9221.*

## NOVA SCOTIA

*Donna Huffman*

### Plan for government support

The Nova Scotia Co-op Council recently presented a proposal to the Nova Scotia cabinet which would create a co-operative development program in the province. Modelled after similar initiatives in other provinces, the program would provide loan guarantees to members who invest in co-operatives and would also assist a co-op federation to supply support services.

John Chisholm, an executive member, represented the Co-op council at a meeting attended by the Nova Scotia Ministers of Health, Consumer Affairs, Revenue, Municipal Affairs, Housing, Agriculture, Education and Fisheries. The Council feels the unique needs of worker co-operatives could be addressed and co-ordinated through a federation of worker co-operatives.

The Council proposed that the Nova Scotia government guarantee 50 per cent of member loans to co-operatives, up to a

limit of \$10,000 per member. The proposed federation would guarantee 25 per cent of each loan, while the credit union involved would assume the remainder of the risk. In addition, the federation would receive a grant of five per cent of investment costs to help provide accounting services, training, education and monitoring service to a co-op.

The plan would require the co-operatives receiving assistance to establish a comprehensive accounting system, prepare business plans, purchase shares equivalent to 50 per cent of member wages, deduct 10 per cent of wages toward the purchase of additional shares, and retain patronage dividends within the co-op.

*For more information contact John Chisholm at (902) 828-2927 or Fred Pierce, Inspector of Co-operatives, P.O. Box 9, Truro, Nova Scotia B2N 5B6; (902) 662-3339.*

## Student worker co-op

The Coop de Jeunes Travailleurs de Cheticamp Ltée., a newly-organized worker co-operative in Cheticamp, provided jobs for 18 students in the first summer of its operation.

Students who formed the co-op wanted to help create worthwhile summer jobs in this remote, predominantly franco-phone village, while fulfilling many of the community's needs. The co-operative is managed by senior high-school students who refer requests for odd jobs to willing students. The co-op plans to resume operations next spring.

The Fédération de Jeunes Canadiens Français has selected the Cheticamp co-op as a pilot group for a larger project designed to organize worker co-operatives among youth in French-speaking communities outside of Quebec. The Federation will monitor the Cheticamp group and provide the support needed to make it self-sufficient. Employment and Immigration Canada has committed \$700,000 to this project nationally.

## Guysco shows a profit

Guysco Bakery, in Canso, Nova Scotia, has turned around its financial situation and has shown a net profit in the first six months of 1987.

The worker co-operative has suffered in recent years from losses of its major markets and competition from large, highly

automated bakeries in the region. In response, members of the co-operative have cut back on the number of hours worked and have contributed a portion of their wages toward member loans. The Bergengren Credit Union in Antigonish and the Nova Scotia Credit Union Central also helped by providing a refinancing package and an increased line of credit for the co-op.

The bakery is currently trying to increase sales by expanding its market to include institutional buyers. Achieving this goal could provide much needed market stability.



Rest in peace

Sunnyville Woodcrafters Co-op Ltd. is closing its doors after eight years of operation. The worker co-op manufactured low-cost wooden furniture and kitchen cabinets, and it also built and renovated homes.

Sunnyville had between four and 12 workers, depending on its contracts. Ron Ryan, co-manager of the Community Development Co-operative of Nova Scotia, said most of the members came to Sunnyville with little education, no skills and no work experience. Through the co-operative, members learned good work habits, acquired carpentry skills, and gained self-confidence. Most of the workers have found jobs elsewhere, and one has set up his own business.

## Innovations Project spreads its wings

The St. Francis Xavier University Extension Department has received an addition to its Innovations Project. The project will be working with an established community co-operative, Caledonia Products, to establish a worker co-operative in eastern Prince Edward Island.

The additional funding will be used over the next year to identify three possible market opportunities for the worker co-operative, to conduct feasibility studies and to prepare and implement business plans. Members of the Caledonia Co-operative already have several ideas for worker co-operatives, including a daycare centre, a tannery and a community centre.

The Innovations Project at St. Francis Xavier University is funded under a three-year research grant from the Canada Employment and Immigration Commission. The project is studying ways of assisting worker co-operatives in eastern Nova Scotia through the development of a support system. Over the last year, it has been working closely with the Community Development Co-operative of Nova Scotia, a support agency for worker co-operatives in the province.

*Donna Huffman is research director of the Innovations Project, St. Francis Xavier Extension Dept., Antigonish, Nova Scotia B2G 1C0; (902) 867-5165.*



## NEWFOUNDLAND

### Federation advocates worker co-ops

In a recent brief to the provincial Resource Policy Committee, the Newfoundland and Labrador Federation of Co-operatives stated: "One type of co-op with considerable potential for development in Newfoundland is the worker or employment co-op."

In its brief, the Federation also announced the establishment of a Development Fund to provide loan guarantees for new co-operative enterprises in the province. The fund will assist both co-operatives and their individual members in raising the capital necessary to activate additional financing and implement their business plans.

"We see access to initial financing through this fund as the top priority in terms of stimulating new co-operative development". However other support programs are necessary to ensure effective use of the fund and the long-term stability of newly established co-operatives. These include feasibility assessment, pre-incorporation assistance, business and entrepreneurial training, revolving management loans and ongoing development assistance in the field, just to name a few. We are requesting government's assistance in implementing these support programs, possibly through a new Federal/Provincial Rural Development Subsidiary Agree-

ment which is being proposed for 1988.

"We have recommended a joint approach to development with both government and the co-op sector contributing to future growth. The Federation is making new development a top priority because co-ops can provide stable long-term employment and needed services in any size community and in almost any business sector. Our objectives are consistent with those of government, and by working together we can maximize growth and stability for the benefit of people throughout Newfoundland and Labrador."

For more information, contact **Jim Winter**, the Newfoundland-Labrador Federation of Co-operatives, Box 13369, Station A, 19 Crosbie Place, St. John's, Nfld. A1B 4B7; (709) 726-9431.

**Robert Thompson**, the contributing editor from Newfoundland for the past two years, has pleaded "too much work" at his job with the Newfoundland government and at home. We thank him for so capably providing the Newfoundland news and wish him a bright future.

### Joint venture

According to the *Atlantic Co-operator*, Torngat Fish Producers Co-operative of Labrador -- a hybrid co-operative of fish catchers and plant workers -- has entered into a joint venture with a Danish partner, *Ocean Prawns I/S*, to harvest Torngat's allocation of northern shrimp.

Torngat and its Danish partner will operate the Danish vessel *Ocean Prawns* which will be one-third owned by Torngat. Under the agreement, Torngat will increase its share of ownership so that the vessel becomes majority Canadian-owned within three years, after which it will be registered as a Canadian flag vessel. Torngat will also share in the profits of the vessel's fishing, both in Greenland and in other international waters.

**Jim Winter**, a development specialist with the Newfoundland and Labrador Federation of Co-operatives, has agreed to replace Robert Thompson as Newfoundland's contributing editor. Jim is currently organizing two new worker co-operatives.

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## NEW BRUNSWICK

Maureen Edgett

### Miramichi incubator plan

The Miramichi worker co-op, a development group in Chatham, New Brunswick, is negotiating with a local parish to purchase a recreation centre which currently houses a bowling alley.

The co-op wants to operate the bowling alley and to convert other space in the recreation centre for lease to other co-ops. A local credit union and a furniture-manufacturing worker co-op have both agreed to lease space in the recreation centre.

The plan for this incubator model of development was prepared by Co-op Work Consultants of Toronto, a resource group specializing in business planning for worker co-operatives.

For more information contact Denise Tullock, Miramichi Worker Co-op, 10 Howard St., Chatham, N.B. E1N 1V2; or Maureen Edgett, 76 Woodleigh Street, Moncton, N.B. E1C 2Z8; (506) 384-8563.

## Les P'tits Acadiens

At the official opening of La P'tits Acadiens' workshop in the Baie Acadienne Commercial Centre in Urbainville, the co-op's manager, Colette Arsenault, announced that the co-op's spring and summer lines of children's

clothing will be distributed in co-op stores in Nova Scotia and Newfoundland. Previously, the market for this Evangeline-area worker co-op had been limited to co-op stores in New Brunswick and to co-op and private stores

## P.E.I.

### Culture Crafts

Culture Crafts, a worker co-op producing woodcarvings has become the fifteenth member of the Conseil Coop of P.E.I., the province's umbrella organization of the French-speaking co-ops.

According to founding member Gilles Michaud, Culture Crafts was denied admission to the P.E.I. Union of Co-ops (the Conseil's anglophone counterpart) because its organization was "somewhat different from others on the Island".

In its second season, Culture Crafts had sales of \$10,000.

in P.E.I.

Les P'tits Acadiens has seven full-time workers and three part-timers. Only one year old, the co-op expects to have 10 members within the next two years,



Official opening of "Les P'tits Acadiens" Worker Co-op: (l.-r.) Claudette Thériault, officer from the Evangeline Regional Services Centre; Colette Arsenault, manager; Wilfred Arsenault, chairman of the board; and Norma Sonier, from Employment and Immigration, Summerside office.

## U.I. victory for Caledonia Products Co-op

Prince Edward Island's Caledonia Products Co-operative has won its battle against Revenue Canada, which had denied Unemployment Insurance benefits to its members (see "Unemployment Insurance Crisis", *Worker Co-ops*, Fall 1987).

Revenue Canada's reversal was the result of a vigorous campaign by Caledonia on both the political and legal levels, culminating with the intervention by an Assistant Deputy Minister of Revenue Canada.

David Carrington, the Caledonia member who led the attack on Revenue Canada's decision, notes: "once the discussion

left the lower levels of the bureaucracy, our discussion (with Revenue Canada) was constructive, intelligent (very) and utterly courteous, in complete contrast to previous experience."

Carrington also repeated an observation increasingly heard across the country: "This experience underlines the urgent need for more education about co-ops within the public sector."

On a technical point, while Caledonia had sought an advance opinion from Revenue Canada on the insurability of its members, that opinion, even though in writing, did not bind Revenue Canada. Other co-operatives

concerned about the availability of Unemployment Insurance for their members should obtain *rulings* on actual cases and not *advance opinions* from Revenue Canada.

Carrington also reports, with considerable pleasure, that Caledonia has been accepted as part of the St. Francis Xavier University-sponsored Innovations project on worker co-op development, with \$60,000 earmarked to Caledonia for business development.

*More information is available from Caledonia Products Co-operative, R.R. 1, Montague, P.E.I.*

## ATLANTIC

*Fred Pierce*

In 1985, a review of co-operative legislation from across Canada was undertaken by the Co-operatives Branch of the Nova Scotia Department of Development. An initial draft was circulated to co-operatives and other interested groups and Federations. A good response was received with many very valuable recommendations for improvements.

The co-operative administrators from the Atlantic Provinces were invited to Halifax to study the draft and offer suggestions for improvements.

Using the suggestions from this meeting, a second draft was prepared by David Layton, a law student.

The proposed new legislation has received endorsement from most co-operatives' representatives, with only some minor points to be reconsidered.

New Brunswick administrator Bill Church and co-operatives researcher Aline MacDougall have prepared a third draft which gives further direction to worker co-operatives and housing co-operatives.

It is proposed to have the legislation presented for enactment in Nova Scotia in 1988 and in the other three Atlantic provinces in 1989.

### Nova Scotia

Nova Scotia's Department of Development is considering amendments to some present programs in order to allow co-op-

eratives to have access to them.

The Youth Entrepreneurial Skills Program (YES) is being considered for revision as YES-C. The revised program would provide an interest subsidy and loan guarantee to members of a student worker co-operative (up to age 24). In addition, a bonus is to be provided for accounting, training and general support to the worker co-operative.

Discussions are also underway to examine other government programs to allow co-operatives to take advantage of the benefits, including an Investment Tax Incentive for the purchase of preference shares.

*For more information contact Fred Pierce, Nova Scotia registrar of co-ops, Box 9, Truro, Nova Scotia B2N 5B6; (902) 893-1595.*

# Local enterprise development the LETS way

*Lethbridge, Alberta organization develops new enterprises*

*Ed Ouellette,  
Executive Director of LETS.  
(Photo by George Melnyk.)*



## Ed Ouellette

During the past three years, a community action group has been growing in southwestern Alberta. The Local Enterprise Trust Society (LETS) was incorporated as a society in 1984. It now draws upon the time and talents of over 60 volunteers from a variety of occupations and professions. The idea of local-enterprise groups comes directly from British economist E.F. Schumacher's book *Good Work*.

Because of our rapidly advancing technology, leading thinkers in social development contend that direct employment of individuals in the production process will continue to decline. High unemployment in the classic sense will not only continue but also increase in the future.

LETS contends that:

- work is, of itself, wholesome and essential to individual and community well-being;

- people should be encouraged and assisted in the development of individual and co-operative self-reliance;

- awareness must be raised among working people, and particularly among young people, that the simple formula that "an education results in a good job" is becoming outdated.

The ultimate goal is an ever-increasing number of enterprises initiated, developed and controlled by local people themselves. In some cases such enterprises will involve only a few individuals or a family. The more likely format, however, will be small- to medium-sized service or production companies structured as worker co-ops or as small corporations.

It is important to stress that initiative must originate and remain with those seeking to become self-employed. LETS

acts as a catalyst and as a resource for such budding enterprises.

Local enterprise groups are made up of a maximum of 15 persons who are presently under-employed or unemployed. Each group makes a special effort to include unemployed youth and older workers. A project manager helps to plan and to organize the business.

In guiding the creation of these enterprises, LETS uses the following principles:

- all persons employed in the enterprise must be part-owners through at least a modest investment of equity capital;

- the community can organize pools of capital to assist local enterprises until they become financially viable; (This is now in place, and is called the LETS Community Equity Fund.)

- loans must be kept to a

minimum and carefully managed to ensure a cash-flow pattern which will sustain a sound ongoing operation and a systematic repayment of the funds plus interest;

- profits are to be accumulated within the enterprise by a system of individual credits to each worker-owner and payable only upon retirement or withdrawal from the company.

### Nanny Services

The first serious attempt at job creation was the organization of the TLC Nanny Services Co-op in 1986. Federal funding under the Job Development Program provided for 10 unemployed persons to participate in an 18-week classroom instruction on child care and supervision, followed by an eight-week practicum. LETS staff gave instruction on co-operative principles and operations.

Some of the participants are currently employed as nannies. Although the project has not yet been successful in the organization of a co-operative business venture, LETS is hopeful that the TLC Nanny Co-op can be made a viable operation in the future by developing related services.

### Auto remanufacturing

In 1987 the Innovations Program of the Canadian Job Strategies funded a LETS proposal for a number of unemployed workers to participate in a 12-month education and development program. Those involved would form a worker co-op for

vehicle remanufacturing (a remanufactured vehicle is rebuilt at a fraction of the cost of a new vehicle).

With the training and development phase ended, the nine members of the United Auto Rebuilders Co-operative are awaiting completion of arrangements for start-up capital. LETS is working closely with UARC to come up with seed money for the venture. It is hoped that the start-up will begin early in 1988.

UARC has provided a valuable experience for LETS. It is now apparent that unemployed and relatively unskilled persons must be teamed with others of proven skill and competence in both technical and business matters. Those familiar with Mondragon will know that its founders possessed technical expertise. Even today, new recruits for a proposed Mondragon co-op are given aptitude testing and embark on a two-year training course. Here in Lethbridge we now know that a 12-month training program is insufficient.

### Plant takeover

In the spring of 1987, a fertilizer plant in Medicine Hat was slated to close, and the workers decided to investigate the possibility of a buyout. They approached LETS for assistance. LETS arranged for a feasibility study and for legal advice. The feasibility study demonstrated the financial viability of the project over five years if the initial purchase price did not exceed \$1-million. An offer was made, but plant owners wanted a price that would have rendered the proposed worker co-op unviable.

In spite of its limited resources, LETS continues to assist with the development of new community-based and worker-oriented projects in Alberta. LETS is gaining recognition for its advocacy of worker-owned and controlled enterprises right across the prairies.

*For more information and a pamphlet about L.E.T.S., write Ed Ouellette, Executive Director, LETS, 604-13 St. N, Lethbridge, Alta. T1H 2S8; (403) 329-1881.■*



*Proposed facilities for United Auto Remanufacturing Co-op in Lethbridge. (Photo by George Melnyk.)*

## Vent Air: the Phoenix is rising

**Jeremy Hull**

Vent Air Industries Co-operative is a Winnipeg company that installs commercial heating and ventilation systems. It was formed in July, 1985, through a buyout of an existing company (Air Flow) which had gone into receivership. Two supervisors at the old company, Con Roy and Ralph Kubic, initially wanted to purchase the company themselves, but lacked sufficient capital. After approaching the banks and the venture capital program of the Federal Business Development Bank without success, they were told about the newly established provincial Employment Co-operative Program. Thus, they chose to create a co-operative, not for philosophic reasons, but because they could obtain loan guarantees through the provincial government and because including employees of the old company as members was a method of financing the buyout.

### **Credibility a problem**

The biggest problem the new business faced was credibility and the suspicion on the part of banks, bonding companies and contractors that they were simply the same company, slightly reorganized and bailed out by government funding. This was not the case, since they had

bought only the profitable portion of the old business. Roy and Kubic knew that Air Flow had lost money because of its other investment activities, but not on its commercial ventilation operation. The co-operative overcame this image problem, and it was successful in retaining all of the old contracts except one.

The other big problem Vent Air faced was financing. For the first six months of the new operation, until the loan guarantees from the Employment Co-operatives Program came through, supplies had to be paid for on delivery. Provincial funding guarantees came through just one day before Vent Air would have had to close its doors.

Provincial financial guarantees were crucial, because without them the banks would not provide working capital. As it was, not only did the 10 members of the co-operative purchase shares (at a substantial cost), but also Roy and Kubic each had to make the co-operative a large loan.

### **Productivity improved**

The co-operative has been doing well over its two-year existence. Productivity has been higher than it was prior to the buyout. The business is organized under the direction of a five-person board of directors

elected by the members. The board meets monthly. In general, however, the organization of the plant has changed very little since the buyout.

Vent-Air's workers are represented by the Sheet Metal Workers Union, Local 511, as they were prior to the buyout. All but one of the co-op members are union members. While the union was not instrumental in the buyout, relations between the union and the co-op are good. Co-op members are paid according to the wage rates specified in the union contract. The first round of contract negotiations between the co-op and the union is due to come up next year.

Kubic and Roy pointed out that the organization of a worker co-operative in the construction sector presents a problem because of the peaks and valleys of business. When Vent Air was formed, the number of members was set at the minimum anticipated for year-round employment. However, as many as 50 people have been employed at Vent Air at a given time. If membership in the co-op were extended to these temporary employees, many could not or would not purchase a membership share. Unless the volume of year-round business increases, the co-op does not plan to expand membership significantly.

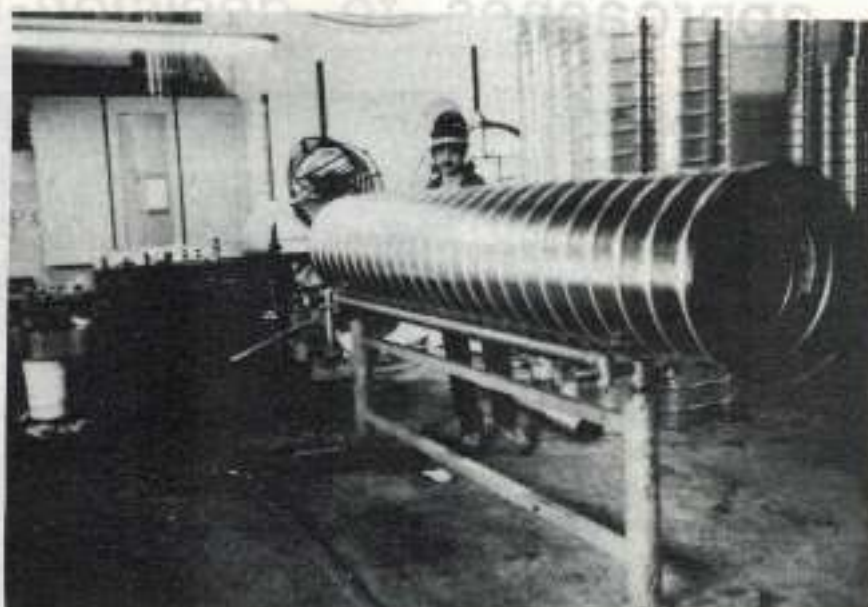
Vent Air also produces

ventilation pipes and equipment for their own installations. While it faces competition from several other companies in Winnipeg, Vent Air's specialized equipment to cut its own sheet metal from continuous rolls (thereby reducing wastage) and to construct its own spiral metal pipes puts the co-op ahead of the competition, and allows it to install ventilation systems with less leakage than those of other companies.

#### Problem areas

An important factor in the Vent Air buyout were provincial financial guarantees. These have often been criticized for being too slow, particularly in buyout situations. It should be noted that the provincial government has not actually had to supply any funding to the company, and will not have to unless Vent Air defaults on a loan before its three-year agreement with the government is over. While Vent Air has had good support from the Co-operative Development Branch, it could have used some training in co-operative organization and management techniques. This might be a service that government (or some other agency) could provide in the future.

Vent Air also faces some internal problems which will have to be solved. One is repayment of the loans made by Kubic and Roy to the co-op. The existence of these loans tends to make some members "more equal than others." A condition of the provincial funding agreement was



*Vent Air worker-member with ventilation pipe.*

that the co-op would not pay back these loans using the provincial financing. Therefore, the loans will have to be paid back out of future surpluses generated by the business.

Second, there is not yet any reserve fund to pay out members who leave the co-operative. Vent Air's by-laws provide for this to take place within one year of a member's leaving. The co-op's goal is to build up a reserve fund for this purpose.

A third problem is that companies will not bond a co-operative. Instead, Kubic and Roy have to personally guarantee their co-op's work. Again, this places an extra burden on them and gives them a special status among the members. Provincial inter-

vention concerning performance bonds may be required to overcome this problem.

They would welcome contact with other co-ops in the construction industry, with whom they could compare notes and learn new ways of dealing with the problems they face in running a successful co-operative business.

*Ralph Kubic, Don Roy and Wayne Wiebe of Vent Air are interviewed in More Than Just a Job, a book by Constance Mungall, published by Steel Rail.*

*Jeremy Hull is a consultant with WMC, 200-651 Croydon Avenue, Winnipeg, Manitoba R3M 0W3; (204) 453-6137. ■*



# The Big Carrot tries different approaches to decision-making

Recently, the Big Carrot underwent a major expansion from a small natural-food store started by nine members to a 7,000-square-foot market that is the anchor of a 14-store mall, Carrot Common (see Worker Co-ops, Fall, 1987). The total deal is costed at \$6.5 million, and membership in The Big Carrot is projected to be 40 within a year.

In the following, Mary Lou Morgan, a founding member and currently co-manager of The Carrot, describes the evolution of this dynamic worker co-operative's decision-making processes in its brief four-year history.

**Right:** Big Carrot members in the new store, Nov., 1987.



### Mary Lou Morgan

The Big Carrot has experimented with many different styles of decision-making since it opened November 18, 1983.

When the first store was being constructed, we formed many small committees to investigate different issues: should we buy or rent a truck? How will we

advertise? etc. The larger group of nine workers then discussed the purchase or expenditure, and a decision was made. We tried to have an overwhelming majority for a decision but did not allow one or two dissenting votes to stalemate the process.

Once the store opened, our practices changed. We had a store manager but still met at

least once a week as group of nine.

As the manager at that time, I made a decision, by informally polling members, to buy a frozen-yogurt machine which was supposed to make us rich. There were two important lessons from this bad decision. First, "co-op money is everyone's money". Decisions of a certain dollar



value (we agreed on \$1,000) must be properly discussed at a membership meeting.

A second lesson was the acknowledgement by the group that not all decisions would work, but that it is often better to take a chance than to take no risk at all. Even now, there is an acceptance of taking calculated risks and not expecting to be right every time.

### Members anxious

There was a lot of anxiety in the group about making decisions. Membership had grown to 14, and still met at least once a week outside of store hours. We decided to go to a two-person management team. This change represented an attempt to share day-to-day decision-making, to meet the demands of a growing staff and not to be overly dependent on one person. However, there were still problems because there was no accountability and inadequate job descriptions for management.

Our famous, or infamous, salary dispute arose at this juncture. The solution to this problem matured us and set the stage for our present decision-making policy.

The crux of the dispute was that members with previous experience in the natural-food business wanted variable salaries, while new members, who were also very hard-working and dedicated, wanted equal salaries. A simple majority decision would have caused such hard feelings that we tried for consensus.

We met twice a week, often

until midnight. We got opinions from a labour specialist, our accountant and other co-ops. We even hired a consultant to help with group process. We fought, screamed and wept. After six months -- at our wits' end and sick of meetings -- we solved the problem in two hours.

We formed a committee of four -- two "for" and two "opposed" -- who went into a room and hammered out a compromise. The decision was taken to the respective sides and agreed to outside the context of a meeting. We came to the meeting having already made up our minds to make the vote unanimous. Then we took a formal vote and opened the champagne.

All important decisions at The Carrot now follow the pattern that was used to resolve our great salary dispute. A committee of interested individuals comes up with a recommendation and approaches the appropriate body for a vote. If you didn't sit on the committee you must not question its judgment. When a committee recently researched a computer, it gave the members a choice of three brands within the agreed price range.

As The Carrot's staff has increased and our tolerance for meetings has declined, we re-organized our governance. A committee met, studied other co-ops and planned a governance structure for The Big Carrot. It looks simple but it took months of work. Then the committee had to educate and get a consensus from the membership to adopt the document.

### The board

A seven-person board of directors represents the membership and co-ordinates decision-making and policy implementation. With the membership, the board is responsible for long-range planning, approving the budget, ensuring an adequate capital structure and hiring and evaluating management.

It also advises management on new areas of service and new departmental directions and it advises members of decisions and directions. The board encourages constructive leadership within the co-operative.

As a guardian for the co-operative, the board is responsible for the whole organization and for safeguarding its assets. It does this through good accounting procedures, a periodic review of the organization and a yearly financial and social audit. It re-examines the Carrot's product standards and service to its customers so that the store policy reflects the members' wishes.

The board also ensures the continuance of the organization. It finds capable members for election to the board and for management positions and it makes sure they are trained properly.

The Carrot has experimented with various managerial arrangements. At one point we tried a rotating management team of three, partly to get new members used to taking responsibility and partly to create a broader understanding of the problems of co-op management. Managers were

appointed for an 18-month overlapping term so that someone new was on management every six months. This worked well for a while, but had the disadvantage of a top-heavy salary structure. Another problem arose when a manager's term ended and that person suffered a cut in salary and a job change. Also, an 18-month term with only six months in charge is not long enough to accomplish anything meaningful.

#### New store

In our new store, the staff presently numbers 30. Of those, 17 are members, nine are on probation, and the remainder are students who work part-time. With sales increasing drama-

tically, we anticipate 40 worker-members within the next year.

Much of our current management's time has gone into constructing and moving to our new store. Responsibility for hiring personnel, training, scheduling, maintenance of standards and financial control is maintained through heads of departments. There are now two managers, with well-defined job descriptions. One manager has a two-year term and the other is appointed for three years.

The strength of the co-op comes from the individuals in it. There are several people on staff capable of being managers, and we hope to set up a formal training for those interested in learning.



## Book Notes

**Workplace Democracy as a Condition for Optimizing Productivity in Computer-Assisted Manufacturing** by Seymour Melman. Available from Prof. Melman, School of Industrial Engineering, Columbia University, New York, New York, 10027.

This paper should be of interest to proponents of worker ownership and workplace democracy. ■

• • •

**Workers' Co-operatives, A People Centered Approach to Regional Development**, by J. T. Webb. Institut Canadien de Recherche sur le Développement Regional,

Université de Moncton, Nouveau-Brunswick E1A 3E9, 1987, 196 pp.

This comprehensive study examines the potential of worker co-operatives to make a contribution to regional development and in particular to the development of Canada's Atlantic region. It suggests that worker co-operatives are a natural choice for regional development because they are based on local people and ensure that development becomes their responsibility rather than something done for them. It suggests that this people-centered approach ensures maximum regional benefit. The work includes an examination of

Management these days is trying to plan ahead, to co-ordinate the various departments and to make sure we are working together. By constant attention to financial detail and to our food standards, and by constantly communicating our failures and successes to our workers, we hope to be around for a long time.

And yes, the salary committee is meeting again. We now know it takes the wisdom of Solomon to recommend a solution that will win unanimous support, but we're expecting it anyway.

For more information, Mary Lou Morgan can be contacted at *The Big Carrot*, 348 Danforth Avenue, Toronto, Ontario M4K 1N8; (416) 466-2129. ■

the concept of regional development and of the development of worker co-operatives in Canada and around the world. ■

• • •

**Industrial Democracy in Israel**, by Michal Palgi and Menachem Rosner. Available from the Institute for Research of the Kibbutz and Co-operative Idea, University of Haifa, Haifa, Israel.

This booklet outlines and compares the different models for worker participation in the Israeli economy -- primarily union-owned enterprises and kibbutzim. ■



## CO-OPERATIVE-GOVERNMENT RELATIONS IN CANADA

by

David Laycock

# Dependent relationship on government presents dangers, book suggests

**Co-operative-Government Relations in Canada: Lobbying, Public Policy Development and the Changing Co-operative System**, by David Laycock, Centre for the study of Co-operatives, University of Saskatchewan, Saskatoon, Saskatchewan S7N 0W0; 1987, 239 pp; \$10 (Individuals), \$15 (institutions).

Reviewed by Ethan Phillips

David Laycock's impressive new book contributes significantly to the study of co-operative-government relations in Canada. By tackling many of the issues generally ignored by co-operative leaders and by applying the insights of recent research in the politics of public policy, Laycock sheds new light on a central obstacle to the growth of a dynamic co-operative movement in Canada: the established co-operative sector's ambivalence towards the role of the state in co-operative development.

While Laycock's study covers the entire range of co-operative-government relations, he focuses on the sector's follow-up to the *National Task Force on Co-operative Development* (published in 1984) and particularly the report's recommendations related to worker co-ops. Of particular interest is the analysis of the potential advantages and dangers

of a central role by government (what Laycock refers to as a "quasi-corporatist relationship") in the development of worker co-ops.

### Conditions must be met

Laycock takes as his starting point three recommendations in the *Task Force Report* directly related to government support for worker co-operative development. He outlines a number of conditions that must be met if these recommendations are to contribute to a dynamic and innovative movement. These conditions are all eminently sensible and include:

- 1) a measure of consistency in the worker co-operative components of co-operative enabling legislation;
- 2) the condition that government assistance programs for worker co-ops not be solely aimed at job creation;
- 3) the condition that established co-ops not allow government to develop assistance programs that generate political credit for government but little in the way of real support for worker co-ops;
- 4) the condition that regional worker-co-op resource groups have sufficient autonomy from government and that they be given representation on co-operative sector bodies.

### Potential dangers

Having established the necessary conditions for the successful implementation of the *Task Force's* recommendations, Laycock goes on to create a "negative scenario" that might result if the above conditions are not met. This discussion of the potential dangers of a "quasi-corporatist" relationship between worker co-ops and government warrants a detailed examination in that it echoes the concerns of much of the established co-operative sector. While these concerns can't be completely dismissed, I think it is more important to suggest different ways of looking at these issues than to simply reiterate what amounts to a co-op mantra about the dangers of government.

### 1) Dependency

There is the danger that a central government role in co-operative development will lead to a "dependent" relationship which in the long run will mean less innovation and slower growth.

As Laycock points out, co-ops generally seek government assistance when existing market conditions are such that they are unable to achieve certain desired goals. For example, housing co-ops are not able to provide good-quality, affordable housing for



low and moderate income people without government assistance. Nor can private residential developers for that matter. To turn things around a bit, without an effective partnership with government, co-ops are dependent on the market. But evidence suggests that it is better to develop a working relationship with government than to restrict co-ops to a market-oriented development strategy.

For example, comparatively little co-op housing was built in Canada before 1973 when the federal co-op housing program was introduced; similarly, most worker co-ops in Canada are located in the province of Quebec where there has been government assistance for worker co-ops since 1979.

### 2) Vulnerability

There is the danger that a close partnership with the state will leave co-ops vulnerable when governments change.

Contrary to the conventional wisdom, there is no necessary connection between having government as a central partner in a development strategy and being vulnerable. For example, the public education and health-care systems are "dependent" on government in a far more direct way than any part of the co-operative sector. However, because public support for a central government role in these areas is so deep and widespread, they are not deemed vulnerable. Nor is there much support for a greater market orientation for education and health service. Most people un-

derstand that to increase the role of the market in these areas is not in the public interest. In other words, the task for worker co-operatives is not to develop market-oriented growth strategies in the name of independence or self-sufficiency, but to ensure that broad political support exists to maintain the partnership with government in the event of electoral change.

### 3) The danger of being "directed" by government

A partnership with government will mean government-

initiated and -directed co-ops and, therefore, a lack of dynamism in the movement.

First, all corporate entities are "directed" by government in that they operate within a financial incentive structure (the tax system, the accessibility of public and private capital, marketing boards, etc.) and a regulatory framework (labour legislation, corporate legislation, environmental legislation, etc.) that are ultimately determined by government. Therefore, all co-operatives are "directed" by government in the sense that their

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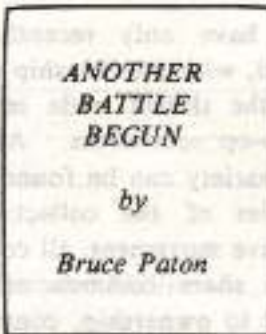
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# Book Reviews

growth depends, to a considerable extent, on the existence of a favourable incentive structure and regulatory framework. The conventional private sector has always understood this and invests huge amounts of money and human resources in ensuring that the government environment is to their liking. Rather than worry about being "directed" by government in the negative sense, co-operatives must develop creative partnerships (in both direct and indirect ways) with government at all three levels to ensure that the incentive structure and the regulatory framework are favourable to co-operative growth. Co-operatives should have an advantage over the private sector in making their case for such a partnership in that, unlike conventional business corporations, co-operatives exist to provide a service and not to make a profit.

In summary, Laycock appreciates the difficulties of reconciling the need for government-development assistance with the importance of maintaining a measure of independence. By examining the broader context in which these difficulties must be faced, he has made significant contribution to the development of a more vital Canadian co-operative movement.

Ethan Phillips is director of the Worker Ownership Development Foundation, 348 Danforth Ave., #212, Toronto, Ontario M4K 1N8; (416) 461-6992. ■



**Another Battle Begun - Images of Collective Co-operatives in Zimbabwe, with words of members, photography by Bruce Paton.** Published by the Zimbabwe Project, 4111 Harare, in association with the Organization of Collective Co-operatives in Zimbabwe, Box 66102, Kopje, Harare, pp. 100. Available from AA Enterprises, P.O. Box 750, London, NW1 9EW, U.K.

Reviewed by Joanne Lindsay

The poem below, by Ducas Fambai Mwanaka, introduces us to *Another Battle Begun*, a photo-essay documenting the Zimbabwean collective co-operative movement. In connecting the spirit of Zimbabwe's liberation war to the spirit behind the co-operative movement, the poem reveals that which sets the collective co-ops apart from other co-operative movements in the southern African region. The Zimbabwean collective co-operatives were built upon the spirit and commitment to collective action that developed during the more than 10 years of guerilla

	<i>Yesterday</i>
	<i>I carried</i>
	<i>I fired</i>
	<i>I laid</i>
	<i>I shelled</i>
	 <i>One Battle Won.</i>
	 <i>Today</i>
<i>It is the Hoe</i>	<i>I carry</i>
<i>The Axe</i>	<i>to cut, to shape</i>
<i>The Hammer</i>	<i>to hit, to build</i>
<i>The Pick</i>	<i>to dig, to mould</i>
<i>It is War!</i>	
	<i>The other War,</i>
	<i>Another Battle Begun.</i>

war which ended with Zimbabwean independence in 1980.

As a photo-essay, the book contains striking images of the co-op members at work. The black and white photographs are interspersed with text that quotes members' perceptions of the co-operative alternative as a means to economic reconstruction. All the quotes from members appear in three languages: Shona, Ndebele and English. While succeeding as an historical documentation in revealing the five-year history of the collective co-operative movement, the book also reveals the enormity of the battle ahead.

### The history

Collective co-operatives emerged at the end of the war, after 1980. The key people in the emergence of collective co-ops were demobilized guerillas, former freedom fighters who gave up their military careers at independence. With demobilization came money from the government, up to the equivalent of \$3,500 each.

Some of this money was immediately channeled into the setting up of a wide variety of collective co-operatives, such as farms, print shops, mining, manufacturing and fishing co-ops. In some of these co-ops, members share a war history. Where these historical connections exist, the internal social and work structures resemble those developed in the army units from which they emerged.

Not all of the co-ops carry such strong war-time legacies.

Some have only recently been formed, with membership coming from the skilled trade in which the co-op specializes. Although great variety can be found in the activities of the collective co-operative movement, all collective co-ops share common attributes related to ownership, control and purposes.

### Total co-operation

Collective ownership and control, in conjunction with community building, are values shared by all the collective co-ops. In some collective co-ops, community building is taken to the extent of having all members live together in shared accommodation, whether it is rural or urban. Where this occurs, co-operation in living is combined with co-operative work.

The photo-essay emphasizes the movement's commitment to education, specifically literacy, as a tool for co-operative development. These social values, of living and learning while producing, separate this movement from the agricultural marketing co-ops established in Zimbabwe during white rule.

The collective co-ops' leadership, through the Organization of Collective Co-operatives of Zimbabwe (OCCZIM), have made it quite clear that their development is totally independent of the more established co-ops, although recent government manoeuvres have sought to narrow the split within the movement as a whole.

The words of co-op members, as quoted in *Another Battle*

*Begun*, clearly reveal that co-operatives are regarded as economic alternatives to both a wage-based system of employment and a competitive system which pits individual producers against each other. While some of the quotes express an almost religious devotion to co-operative values, there is none that shies away from the reality of how much hard work is required for basic sustenance. The book as a photo-essay, contains powerful messages of commitment, struggle and optimism.

### Collaborative project

*Another Battle Begun* is the product of a collaborative project between the Zimbabwe Project (ZP) and OCCZIM. Bruce Paton is a Canadian photographer who has documented a variety of social activism events in southern Africa and Grenada.

In Canada, Paton's African work has the potential to become a valuable part of the southern African solidarity network, especially in development education projects. A photographic exhibition, based on the photo-essay of *Another Battle Begun* is currently being distributed by the Canadian Museum of Contemporary Photography. For information on its schedule and availability, contact: Tunney's Pasture, Ottawa, K1A 0M8; (613) 990-8257.

*Joanne Lindsay spent seven months in southern Africa in 1986. She now works as an adult-education facilitator with artist co-ops in Toronto. She can be contacted at 273 St. George St., Apt. 12, Toronto M5R 2P8; (416) 921-4958.*



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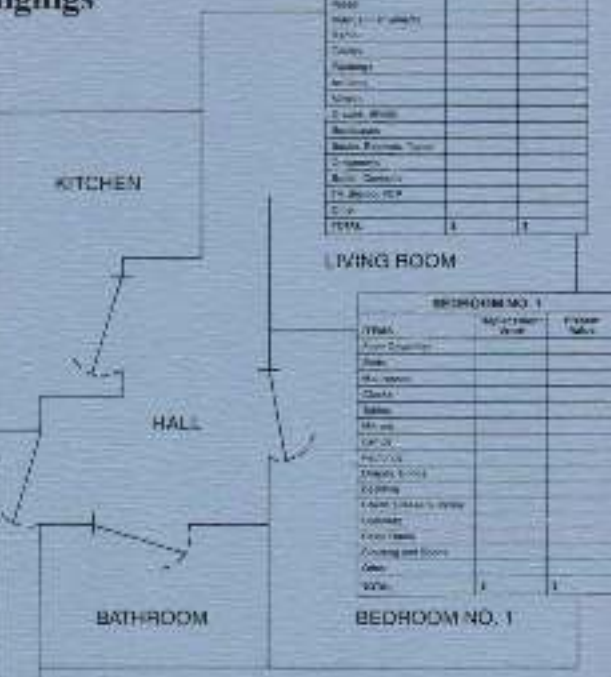
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TOTAL		

BEDROOM NO. 2		
LOCATION	Approximate Value	Replace Cost
Bedroom 1		
Bedroom 2		
Bedroom 3		
Hallway		
Living Room		
Basement		
Attic		
Garage		
Workshop		
Motor Vehicle		
Other		
TOTAL		



LIVING ROOM		
ITEM	Approximate Value	Replace Cost
Freezer/Refrigerator		
Stove		
Washer		
Dishwasher		
Blender		
Mixer and Toaster		
Waffle Maker		
Grill		
Coffee Maker		
Teapot		
Food Processor		
Toaster		
Blender		
Crust Maker		
Waffle		
Other		
TOTAL		

BEDROOM NO. 1		
ITEM	Approximate Value	Replace Cost
Freezer/Refrigerator		
Stove		
Washer		
Dishwasher		
Blender		
Mixer and Toaster		
Waffle Maker		
Grill		
Coffee Maker		
Teapot		
Food Processor		
Toaster		
Blender		
Crust Maker		
Waffle		
Other		
TOTAL		



From yogurt to sour cream to cottage cheese to butter to you. chip dip to

When it comes to freshness, taste and downright goodness, you can always count on Gay Lea dairy products!

*We make the things you can count on.*

Gay Lea Foods Co-operative Limited is owned and controlled by Ontario Dairy Producers.



Labour  
Canada

Travail  
Canada

# Enough is enough!



Each year more than 1,000,000 Canadians are victims of work related injuries or illnesses.

And 1,000 of us die.

The human pain and suffering are incalculable.

And the financial costs are staggering -

\$14 billion a year -

if you add up all the costs involved.

*Enough is enough!*

Prevent workplace accidents and illnesses!

It's up to all of us.

And that includes you.

For more information, contact

your nearest Labour Canada office or

Labour Canada, Ottawa, Ont. K1A 0J2

(819) 953-0223



Canada