

# WORKER CO-OPS

volume 4 / number 1

NEWSLETTER

## Quebec Govt will franchise worker co-op stores

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**Michel Clément**

Several months ago a new director general was appointed to head the Liquor Control Board of Quebec (S.A.Q.), Jean-Guy Lord by name. Mr. Lord was appointed director general of S.A.Q. for very definite purposes. The government of Quebec (owner of the S.A.Q.) wishes, if possible, to reorient the activities of the S.A.Q. principally toward production, and progressively to leave marketing and sale of products to private enterprise.

Mr. Lord, who hails from private enterprise, therefore decided to study different 'privatization' alternatives for S.A.Q. branches. Among the alternatives studied, the principal idea retained was to transform S.A.Q. branches into worker co-ops. For the S.A.Q., the formula would have five advantages: it would permit S.A.Q. to concentrate on production; it would permit privatized branches to sell new product lines; it would almost automatically eliminate possibilities of infiltration of the sector by the mafia or organized crime; it would allow the S.A.Q. to preserve its profit margin, with fewer management, and above all labour relations problems; it would give S.A.Q. a positive image, because in selling its branches to its employees, it could not be accused of political or other favoritism.

Nevertheless, before going ahead with the project to form worker co-ops out of S.A.Q. branches, the Minister for Industry and Commerce, Rodrigue Biron, and Jean-Guy Lord decided to sound out the employees, as to whether they were interested in participating or not. To date the em-

ployees have shown very little interest, bringing back the arguments of their union. Moreover, to date the principal opponent of the privatization formula is the union, which regards the scheme to form worker co-ops as a way of destroying the union, without giving anything more to the people who would become members of these is the union, which without giving anything more to the people who would become members of these worker co-ops. On the whole, the union of S.A.Q. employees believes that the idea of forming worker co-ops is not serious, that neither service nor price would be better for consumers, and therefore that the co-op formula would only profit the government, which would be well rid of the union.

Following on the observed resistance of the union and employees, the directors of the S.A.Q. set up a pilot test with a dozen branches to be administered as co-operatives. If the outcome was positive, S.A.Q. would continue to form new worker co-ops from its branches. If the outcome was negative it would seem proper to sell the branches to businessmen. So there you have it, the union resisting with all its power, and against it, the S.A.Q. wanting to form a dozen co-operatives by summer. At this time we are not able to say if the S.A.Q. will really be able to set up a dozen worker co-operatives by next summer, nevertheless it seems that everything is well started to do it. Moreover, Minister Biron is in the process of modifying worker co-operative legislation, because presently in Quebec one cannot

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## CRS Workers' Co-op

**Dana Weber**

*Vancouver's CRS Workers' Co-operative won't celebrate the tenth anniversary of its formal incorporation until mid-1986. But as early as 1971 CRS members were active in organizing small consumer co-ops in B.C. and played a key role in developing Fed-up, the federation and supplier of those co-ops. CRS presented a case history of its first ten years to a worker co-op conference held at the Coady Institute in*

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## Quebec Government Will Franchise Worker Co-op Stores

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form a worker co-op with the sole purpose of retail trade, not transforming any goods. Minister Biron has asked the Quebec Council on Co-operation (C.C.Q.) to change the terms of the law to make "retail trade" co-ops legal (which would be the case for S.A.Q. branches transformed into co-ops).

Certainly the (co-op) shareholders would benefit from advantages provided by S.A.Q., as in fact they would not be made to pay for trade 'goodwill', would be guaranteed leases for the locations and so on. To conclude, however, let's just say the project is meeting with many reservations, be it at the level of the C.C.Q., or the Desjardins (credit union) Movement, which believes that this kind of "co-operativization" at best is a little contrary to the basic principles of co-operatives. Secondly, as the co-operatives formed would take the form of franchises (like MacDonald's), the freedom of these co-operatives would be very limited, since price, types of product, lay-out and so on would be controlled by S.A.Q.

*Michel Clément is Chargé de projets, Direction De L'Analyse Des Projets, Société de développement coopératif, 430, chemin, Sainte-Foy, Québec G1S 2J5 (french translation by Bob Schutte)*

## CRS Workers' Co-op

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*August, 1982. Worker Co-ops' west coast editor Dana Weber has prepared a shortened version of that history for our readers.*

### The Social Milieu

As far as the entertainment media are concerned, the social activism, unrest and revolt of the 1960's and early 1970's may have already been reduced to an object of "instant nostalgia". But for some of us whose political beliefs were forged in that turbulent time, the outcome has been more meaningful than that.

There was a burgeoning movement of "emerging" co-operatives in the early seventies — in B.C. and throughout North America. These new co-

operatives were for the most part small ones, oriented toward service, with a high degree of user participation. Philosophically they were rooted in the visions of utopian socialists and 19th century co-operators. Some were able to shape that utopian inspiration to the economic realities of our own time. They have survived and prospered as stable co-operative institutions.

### Early Organizing

CRS Workers' Co-op is one of these, although it started out, not as a workers' co-op but as a resource group for pre-order consumer co-operatives or buying clubs. (The name CRS originally stood for Consumer Resource Service.) Funded by federal job creation programs, CRS supported co-operative organizers who would enter B.C. communities upon request to work with local people to establish these co-operatives.

By the fall of 1972 there were twelve buying clubs in various locations around the province, and they met in Vancouver to form their own wholesale depot. This was Fed-up. It was expected that the entire Fed-up system — wholesale as well as retail — would be run on a volunteer basis. Not only was there no talk of worker control at this point, there wasn't even supposed to be any workers.

CRS personnel worked with Fed-up through this period of "consensual anarchy," both as warehouse co-ordinators and field organizers, but by early 1974 it had become clear that the rather structureless movement we had helped to create was inadequate for the long-term goals we wished to attain. Our day-to-day involvement with co-operative management (such as it was then) had meant our perspective differed from that of a casual volunteer. Around this time the provision of jobs — permanent jobs in productive industry rather than government funded services — became an important objective for CRS.

### Towards Worker Co-operation

This was the beginning of CRS's move away from consumer and toward worker co-operation. The process was aided by three-year funding from the Local Employment Assistance Program (LEAP) and especially by the rather unique use CRS made of it.

At this time LEAP provided no  
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## CRS Workers' Co-op

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capital funding as it does today, but CRS viewed the salary monies from the grants as common property. Each worker was expected to keep only what he or she needed to live on and return the rest to the common pool. These contributions became known as "kickbacks" and were used mainly to seed new projects and make capital expenditures.

Initially, controls over this money were poor, and it is impossible to say precisely how much was contributed to CRS-sponsored projects in this way. But there is no doubt that the kickback system continues to influence CRS's equity structure to the present day.

Three small-scale industries were established under the aegis of the CRS LEAP grant: a fruit and jam cannery, a wholesale food warehouse and Queenright Beekeepers which produced both honey and beekeeping equipment.

None of these industries was established without a great deal of struggle, both internal and external. Although at this stage we were beginning to educate ourselves in the technical aspects of our work, we learned our trades mostly through hard experience. There is no doubt that government funding afforded us the luxury of being able to make mistakes, and this was, in some indirect way, our method of neutralizing competition. But that funding was not as secure as it seemed.

### Defining the Co-op

Government funding always comes with strings attached, of course, and in our case the strings and their pullers changed after the first year of the program. Responsibility for administering the program shifted to a different branch, and criteria for eligibility were considerably narrowed. As a result CRS was threatened with termination of its funding; it launched a four-month struggle to get the funding reinstated.

In retrospect, this period of adversity was valuable because it united us in a common cause, increased our determination to succeed and helped us define more clearly what sort of an organization we wanted to become.

The hard work and long hours we put in for little pay created a strong sense of solidarity among CRS members. This, in turn, reinforced our

growing preference for worker co-operation.

The impetus toward worker co-operation, however, didn't yet have a corporate form. The industries which operated within the CRS group were legal partnerships by default, but we knew that in the long run this form was unacceptable to us as co-operators. We looked at the possibility of CRS simply serving as a holding company for a number of separately incorporated enterprises, but finally chose a more centralized form.

In June, 1976, we incorporated as a workers' co-operative under the B.C. Co-operative Associations Act. The separate enterprises were to be operating divisions of this one corporate body, and every individual worker was to be a member.

Queenright, however, was an exception. Because it wanted to operate more as a traditional producers' co-op with beekeepers, and not just the working collective, as members, it incorporated separately and remained a loose CRS affiliate. Structural problems and overextension ultimately proved Queenright's undoing, and it went into voluntary liquidation at the end of 1976.

At the same time another CRS industry took its place — Uprising Breads Bakery.

### Improving Technical Skills

Despite the growing distance between CRS and the Fed-up network of consumer retailers, they were still our primary market. It was initially assumed that the bakery would be another wholesale supplier to the movement, but as we learned more about the business, we recognized that our plant and equipment would not sustain enough production to survive solely as a wholesale bakery. Thus, retailing became a more important component.

Bakery retailing did a great deal to increase awareness of CRS among the general public outside the co-operative movement. The quality of our products has attracted many people from throughout the Vancouver area and gained us a lot of favourable publicity. We have tried to use this higher profile to raise public consciousness about the possibilities for worker self-management.

As the bakery was opening, the LEAP grant ended. All of CRS had to concentrate on improving our skills as workers and managers, to ensure the viability of our enterprises and to gua-

rantee the stability of the jobs they provided. The wholesale warehouse, in particular, needed more markets than the buying clubs could provide.

We probably came out of our government and co-op experience with more political savvy than business sense, but we did recognize the importance of learning both technical and managerial skills. Members at the warehouse took courses in inventory control, accounting and financial development, marketing and materials handling; they set goals for service levels and generally worked to ensure that customers were satisfied. Similar steps were taken at the other enterprises.

This established a tradition at CRS of making fairly liberal allowances for training and education in our budget: as a workers' co-op it is one we feel is in keeping with the importance we place on member development.

At any rate, it made good business sense too. Our service range was spreading into the rest of Western Canada and the Yukon, and our reputation spread by word of mouth. Although CRS decided to withdraw from the canning business at the end of the 1978 season, sales for the co-op as a whole quadrupled in the four years after 1977 — despite only rudimentary marketing efforts.

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### National task force calls for government, co-op sector support Bruce Thordarson

The recently published report of the national task force on co-operative development focuses extensively on the area of employee-owned co-operatives. The task force, which was established with federal government funding at the request of the established co-operative sector, is looking particularly at new areas in which the co-operative concept will be able to make a contribution to the Canadian economy in the years ahead.

Through extensive interviews and research, the task force has concluded that interest in promoting the concept of worker co-operatives is high in several parts of the co-operative sector. It is being increasingly recognized that employee-owned co-operatives have the potential to contribute to national goals in several ways — creating sustainable new jobs, improving productivity, increasing Canadian ownership,

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## National task force calls for government, co-op sector support

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and enhancing community-based economic development.

Much of the inspiration for this development has come, of course, from the success of worker co-operatives in Spain, France and Italy. The Mondragon system, with over 20,000 workers employing themselves in 85 industrial co-operatives, has become the example of successful development in this sector. Nevertheless, there are close to 100 existing worker co-operatives in Canada, and at least eight grassroots support organizations which have been formed to assist them in various parts of the country.

### Quebec is leader in worker co-op development

As is commonly known, the most direct support to worker co-operatives has come in Quebec, where the Quebec development corporation (SDC) has provided some \$5 million during recent years in funding and technical assistance to worker co-operatives. In Newfoundland and Alberta, conferences on worker co-operatives are in the planning stages for this spring under the auspices of different resource groups. However, it is clear that outside of Quebec very little support has been given by the established co-operative sector to development in this field.

It is clear, from the work of the task force to date, that a majority of Canadians, including many co-operative leaders, do not have a good understanding of the concept of employee-owned co-operatives. Very few Canadian examples of worker-owned co-operatives exist, and guidelines for their successful development have yet to be developed. Outside of Quebec, very little technical assistance or other funding is available for worker co-operative development. And while the federal government already spends hundreds of millions of dollars on job creation, none of this now goes specifically for worker co-operatives.

In its final report, the task force on co-operative development addresses specific recommendations both to the Canadian co-operative sector and to the federal government. A commitment from both is necessary if the appropriate support system is to be developed that will enable worker co-

operatives to respond successfully to local needs and initiatives.

### Implementation committee is proposed

Within the co-operative sector, it will be necessary for more planning and research to be undertaken by an implementation committee comprised of representatives from the established co-operative movement and from emerging worker co-operatives. This group should:

1. develop models and guidelines for the successful functioning of worker co-operatives;
2. develop a plan for the creation of worker co-operative development agencies on a regional basis, and for an appropriate national co-ordinating mechanism, to provide leadership and technical support;
3. document existing federal and provincial economic assistance programs which could be used to support the development of worker co-operatives;
4. examine federal and provincial legislation to determine what changes are needed to create a favourable climate for worker co-operative development;
5. determine the extent to which the existing co-operative sector can best support new worker co-operatives in such areas as government representation, financing, technical assistance, and education.

At the same time, the task force report will suggest that the federal government should recognize worker co-operatives as a priority vehicle for employment generation, and should provide the following assistance to the co-operative movement:

1. a commitment to provide funding for several pilot regional resource organizations, co-ordinated through a national mechanism established by the co-operative sector, to provide technical and advisory assistance for worker co-operative development;
2. a pool of start-up venture capital funds for individual employee-owned co-operatives;
3. funding for the staff work to be carried out by the co-operative sector's implementation committee.

The extent to which the federal government will be able to respond positively to these recommendations is difficult to predict given the present turbulent, pre-electoral period. Nevertheless, it is clear that the concept of employee-owned co-operatives has begun to generate considerable enthusiasm within the Canadian co-operative movement, which can be expected

to play a continuing advocacy role.

In any event, even the most enthusiastic advocates of worker co-operative development must recognize that this will inevitably be a long-term process. What can be hoped is that the work of the national task force will give the concept a strong push, both with the established co-operative movement and with the federal government.

*Bruce Thordarson is the executive director of the Co-operative Union of Canada.*

## Economic Democracy Is What!

Bob Schutte

The Quebec Federation of Labour (QFL) announced the setting up of its Solidarity Fund in June 1983. Designed as a union controlled risk capital pool, the Fund is targeted to accumulate \$200 million and preserve or create 45,000 jobs over the first three years. Union members can now invest in small and medium size Quebec businesses indirectly, through purchase shares in their collective fund.<sup>1</sup>

Inspired by similar European experiments, the Solidarity Fund does not encourage direct worker ownership. According to Fund documents, "It is absolutely out of the question that workers should individually acquire share capital in businesses. On the contrary, it must be done collectively, by an organization to which they belong democratically, and managed by them".<sup>2</sup> The Fund is seen by the

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Globe & Mail, Jan. 23, 1984





## Economic Democracy Is What!

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QFL as "... steps toward more collective, more democratic forms of property, on the road to economic democracy".<sup>2</sup>

More recently, a rather different initiative has emerged in the federal budget. According to one observer, "the federal government has latched onto worker-owner co-operation as a key way to increase Canada's lagging productivity levels and enhance the private sector's capital base".<sup>3</sup> Minister of Finance Lalonde proposed in the Budget Speech, "... to encourage this process with tax assistance for a new Employee Profit-Participation Plan", and "... to broaden the tax assistance available to employee stock option plans".<sup>4</sup>

Despite major differences, both the QFL and federal government approaches to saving and creating jobs do have one point of similarity. Neither poses any immediate challenge to conventional capitalist ownership. Only minority share-capital positions are intended for workers, either collectively, or in the businesses where they work. Moreover, while it is not yet clear that QFL investments can prevent an export of jobs from beneficiary communities, the federal government scheme would leave owners free to sell or move their enterprises wherever profits dictate.

Both approaches seem to ignore the motivation behind many worker buyouts. Take, for example, the comment of one lathe operator at an employee-owned firm in Ontario, "... this is our plant. Nobody can come along and say they're closing it down or moving it somewhere else. This is a Lindsay plant, owned and operated by Lindsay people".<sup>5</sup> The basic motive here is to preserve jobs in a specific community, by insuring that only workers are, and remain, owners of the means of production.

Worker ownership can help to assure control of livelihood in communities, but it does not satisfy the QFL's dictum that worker investment should be collective and mediated by an organization to which workers belong democratically. Although democratically controlled, worker co-operatives in isolation also do not address the need for a community-wide level of collective, democratic control.

More collective, democratic forms

of property could, however, be facilitated by community-based federations of both worker and consumer co-ops together. For example, investment capital raised in a community by such a federation could democratically express social needs and values through a venture loan strategy, providing not only jobs, but goods and services wanted in the local community. Worker co-ops, in turn, could allocate a non-discretionary proportion of surplus to the welfare of their local community, for health care, education, culture and the environment. They could also deposit a proportion of retained earnings in a federation investment fund, similar to the QFL's Solidarity Fund, to further community economic development. Such collective measures would also be steps on the road to economic democracy.

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1. "The Solidarity Fund: a new concept in Canada", Canadian Labour, V. 28(7), July-August 1983, pp. 14-15
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3. "Profit Sharing Plans ...", Jade Hemion, Financial Times of Canada, Feb. 20, 1984, p. 17
4. The Budget Speech, Dept. of Finance, Canada, Feb. 15, 1984, p. 9
5. "Distinctions between capitalist, worker blurred at Trent Rubber Services", Globe & Mail, Feb. 11, 1980, p. B4

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## The buyouts business: Big bucks and fat profits

### Jack Quarter

One of the remarkable features of capitalist economics is the way in which almost every commodity from hamburgers to the writings of Karl Marx can be marketed for a profit. The latest moneymaker is leveraged buyouts.

Described in detail in a fascinating feature story in the *Financial Times of Canada* (March 12, 1984), the leveraged buyouts phenomenon has become so lucrative — 25 per cent minimum profits — that conventional financial institutions such as the Toronto-Dominion Bank and pension funds are investing in companies specializing in this area.

Started in the early 1970's by adven-

turous managers wanting to take control of their companies, the leveraged buyout involves the use of a company's assets to secure bank loans which then are used to purchase the company. Money from the cash flow is applied to pay down the loans.

Once the approach had been proven feasible, companies such as CanWest and Onex — the latter with a \$50 million capital pool — have moved into this field to arrange leveraged buyouts for profit.

Here is an example. In 1980, CanWest bought Aristar, a San Diego company for \$110 million (U.S.), but only invested \$5.1 million of its own capital. This \$5.1 million was used to purchase Aristar's equity of \$10 million. The remaining \$100 million was raised by taking \$27 million from Aristar's retained earnings, and through using Aristar's assets as security raising the other \$73 million by two bank loans. In 1983, CanWest sold Aristar for \$163 million. After paying \$73 million in debt (bank loans), Aristar's shareholders realized a net gain of \$90 million in three years and CanWest's original \$5.1 million investment had blossomed into \$45.9 million (51 per cent of the equity).

Buyouts of all kinds are big business, estimated to be valued at \$200 to \$300 million per year in Canada. The leveraged buyout is attracting special interest because it involves high profits for a relatively small investment.

What does all this have to do with worker co-operatives, you ask? It would be presumptuous to say 'a lot', equally presumptuous to say 'nothing'. To tease the imagination, however, it is worth noting that buyouts with extensive worker ownership such as Northern Breweries have been arranged using the companies' assets as leverage<sup>1</sup>. One difficulty in doing this is that conventional financial institutions either want control or are cautious about providing loans to worker owned enterprises. With a venture capital pool to provide financing, however, one could imagine worker co-operatives evolving through leveraged buyouts. Is it feasible? I refer the question to George May and Jonathan Guss at the Canadian Co-operative Credit Society (CCCS).

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<sup>1</sup>See Hugh Lawson, "Leveraged buyouts — Northern Breweries example", *Worker Co-ops*, 1984, 3(4), P. 6.



## BOOKS & ARTICLES

### WORKPLACE DEMOCRACY AND SOCIAL CHANGE

by Frank Lindenfeld  
and Joyce Rothschild-Whitt

#### Book Review

**Workplace Democracy and Social Change**, Edited by Frank Lindenfeld and Joyce Rothschild-Whitt, Porter Sargent Publishers Inc., 11 Beacon Street, Boston, MA, 02108, 1982

The story of democracy being implemented, or at least considered, in some work places in the United States is what this book is about. It is a five-part anthology, promising two parts theory, two parts practice and one part social change. The introduction proposes to discuss the issue: "Reshaping Work: Prospects and Problems of Workplace Democracy."

The introduction provides a useful guide for the reader. The editors centre their book on the theme of "control over the whole labour process" in the workplace. They examine the situation of workplace democracy from the perspective of the individual firm facing its environment. Consequently part one seeks to identify similarities in democratically managed firms while part two looks at some of the psychological dimensions within such firms. Parts three and four are case studies of large firms and small collectives. The last part opens up the discussion of implementing workplace democracy in the American landscape and what implications might follow.

For each of the five parts of the anthology the editors provide a brief introductory statement setting out broad goals and issues involved, and they summarize how each paper relates to stated issues and goals. From our perspective as Canadians it is instructive to note the direction their

argument takes in connecting democratically managed firms to the process of social change. American scholars still seem hesitant to discuss corporate capitalist elites, liberal capitalist theory, liberal capitalist democratic theory, liberal capitalist state theory, or in fact any theory that has the word 'capitalist' as part of its investigative thrust. The term 'capitalist' has been sanitized from the discussion. The editors write, "A long-range goal of the movement for workplace democracy is nothing less than the establishment and spread of a democratic economic sector in various regions of this country." (p. 293) But the book starts from the premise of "control over the whole labour process". Somehow what began as universally valid and good is reduced to unnamed economic sectors in unspecified regions. A more rigorous analysis of how workplace democracy can lead to real social change can be found in the work of Canadian scholar, C.B. Macpherson, *The Life and Times of Liberal Democracy*. (See especially Chapter 5, Participatory Democracy.)

My reason for setting up the review in this way is to focus attention on the differences between how American scholars interpret worker managed firms and the environment in which they operate and how we set up our analysis. Macpherson sees worker managed firms as one major force that can lead us out of the consumer-oriented, apathetic, undemocratic capitalist society we live in. Worker self-managed firms are both end and means. Our American friends are still hoping to "develop a nonsectarian political movement," to be the broad agent for social change since worker self-managed firms by themselves are "insufficient as agents of social change". (p. 293)

*As Canadians it seems important to me that we recall our own historical context so that we recognize something of our own strengths and weaknesses in relation to others. Simply transferring results or insights of this American analysis to our land may be bad practice but more importantly fails to deal with the important issue of determining our own position. After all we can only initiate the process of social change by starting from where we are at any particular time and place.*

Rothschild-Whitt sets up opposing model types to characterize and dis-

tinguish between the differing shared values of the hierarchical, bureaucratic organization and the participative, alternative type of organization. She concludes her analysis by noting that "organizational theory has been weakest" in considering alternative forms that do not share "the bureaucratic standards" reflected by most organizations today. Paul Bernstein proposes a three-fold scheme to facilitate understanding of worker participation. His perspective accounts for the degree of control employees enjoy over any decision, the issues addressed by that control and finally the organizational level where control is exercised. He concludes by remarking that an ongoing participative work organization requires five elements: information sharing, guaranteed rights, independent conflict resolving mechanisms, democratic/participatory consciousness and, lastly, a guaranteed economic return.

Part two of the book deals with the internal dynamics of participative/democratic firm models by examining some of the obstacles encountered. It is true that more workplace participation leads to a decrease in some of the indicators of employee dissatisfaction. Yet social scientists have yet to consider the more basic questions of why a majority of people are willing to work in jobs that they find unsatisfactory. For in spite of the massive amount of evidence indicating that the majority of employees are neither happy in nor satisfied with their work, little thought seems to have been directed to the question of why this situation prevails. Perhaps this is too 'philosophical' a question for social scientists to consider.

Parts three and four are case studies of various worker managed firms in the U.S. and elsewhere. They describe and analyze the plywood co-operatives, the Mondragon experience, some British examples, the Washington, D.C. insurance company — I.G.P., legal firms as collectives, free schools, community initiative and the Seattle workers' brigade. Various theses are advanced to explain the successes and failures of these varied enterprises.

*Don Loucks is a free lance research analyst and community activist living in the Niagara Region of Ontario.*



## Recent Publications

Paul Jones

If you are interested in reviewing any of the publications listed below, or have suggestions for inclusion on this list, contact me at 167 Carlton Street, Toronto, M5A 2K3, (416) 961-0114. Wherever possible we provide reviewers with complimentary copies from the publishers, but sometimes we have to loan reviewers our personal copies.

**The Industrial Common Ownership Movement (ICOM)** in England has started a new series of publications, and revamped the format for their newsletter. The books are designed as useful guides to starting and operating worker co-operatives, and are distributed by the Corner House Bookshop, 14 Endell St., London, WC2, U.K. Three of the five items published to date are:

**The Co-operative Way: Worker Co-ops in France, Spain and Eastern Europe**, 84 pp., £3.25, 1983, consists of three items previously published as pamphlets: Antoine Anten on French worker co-ops, Alastair Campbell on Mondragon, 1980, and Campbell's article on co-operatives in eastern Europe.

Karen McMillan

### REGIONAL UPDATE

Vancouver

CODA — the Common Ownership Development Association — has hired three project workers under its \$30,000 Canada Works grant — Dana Weber, Shane Simpson and Brenda Janke.

Despite strong expressions of interest from groups and individuals in pursuing worker co-operatives, CODA has been concentrating efforts on minor consulting work with established co-operatives and following a strategy of building basic infrastructure. First priority has been given to the co-ordination and production of information and promotional materials, further research into an appropriate organizational structure, the inevitable quest for venture capital and search into other government programs.

Another exciting development has been B.C. Central's approach in ongoing funding discussions with CODA. Initially contacted to supplement the marginal federal job creation monies, the ever-progressive Central requested

a long term funding proposal! This proposal for funding has now gone to the Central's Board for review and the outcome will be reported in our next issue. An update can be obtained directly from Dana Weber, CODA, 3103 Kinsway, Vancouver, B.C. V5R 5J4 at (604) 437-9828.

### Manitoba

Mary Eady, Deputy Minister of Labour for Manitoba expressed interest in worker co-operatives at a national conference on the Future of Unions organized recently in Toronto by Metro Labour Council. This is a significant statement in terms of public policy as Manitoba becomes only the second government outside of Quebec to intentionally include worker co-operatives as part of its position on economic development. Follow-up with the Deputy Minister revealed that the Manitoba government's foray into worker co-operatives was not without event. It was in fact part of an unsuccessful attempt to prevent the closure of a Kimberly Clark plant affecting 130 employees.

Official notification is required by the Ministry of Labour for all plant closures involving more than 50 people. When Kimberly Clark gave notice of shut-down, the Ministry, (in conjunction with the Federation of Labour and a strongly committed Ministry for Co-operative Development), investigated the worker co-operative concept as a possible solution to stave off the closure.

### Toronto

The religious community is now proving to be not only theologically in accord with worker co-ops and community-based alternatives, but finan-

cially supportive. Just Work, a construction collective legally organized as a community development corporation, has been given a \$40,000 credit guarantee by a local religious order. This allows the patchwork of financing which bedevils most groups' start-up phase, to be replaced by a single, secure source of funds. Just Work can now concentrate their efforts on rehabilitation of housing for special needs rather than working capital.

Also, **Co-operative Work**, as a fledgling resource group, was delighted to receive approximately \$3,000 in donations from the World Council of Churches, the Catholic religious orders of Ontario and the United Church.

## CONFERENCES

### New Jersey

Consumer co-operatives of all kinds — food, housing, child care, energy, worker co-ops and more — will be covered in a five-day training and networking conference August 14—18. The Consumer Cooperative Alliance's annual Co-op Institute, this year titled "Bringing Co-ops Into The Real World," will be held 45 minutes from New York City, at rural Ramapo College in northern New Jersey. For information on costs, agenda, budget plans and travel co-ordinators, write CCA Co-op Institute, Matthew Chachere, Institute Co-ordinator, 24 North Lane, Glen Cove, New York, 11542, or phone (516) 674-4981.

### Quebec

An August conference will be held in both languages in Montreal through the organization of Le Comité Provincial des Co-operatives Ouvrières de Production, de Travail et Pre-Co-operatives. Aimed at the decision-makers at

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all levels of the workers co-operative movement, demand for the conference will be strong. Representatives from a number of European countries will be present, and displays and educational events for the public will take place simultaneously at the Complexe Desjardins. In the Fall, there will also be a series of follow-up conferences held throughout the various regions of Quebec.

As attendance is limited to 100 participants, your request for an invitation to attend should be sent immediately to:

Benoit Tremblay or Paul-Andre Boucher,

Le Comite Provincial des Co-operatives Ouvrieres de Production, de Travail et Pre-Co-operatives, 3424 Ontario Est, Montreal, Quebec (514) 526-7284

#### Grindstone Island

The Co-op Movement Strategy Conference is including topics on worker co-ops and community based issues at its conference to be held August 19—25 at Grindstone Island. Questions to be discussed are those important to the Canadian Co-op Movement — worker co-ops and the union movement, role of co-ops in social change, co-ops and community development, etc.

More information can be obtained from:

Grindstone Co-operative  
P.O. Box 564, Station P  
Toronto, Ontario, M5S 2T1  
(416) 923-4215

#### ORGANIZATIONS

##### The Plunkett Foundation

**The Plunkett Foundation for Co-operative Studies** is a fascinating, old-time foundation established as an independent charitable trust in 1919 in Britain by the pioneer in agricultural co-operation.

Despite a strong innovative agricultural basis, the Foundation is also active in community co-operatives, co-operation amongst co-operatives and worker co-operatives, both throughout Britain and internationally. Much of its income is derived from overseas consulting services and research, often in Third World countries.

*More information and membership can be obtained from: 31 St. Giles, Oxford, OX1 3LF, England.*

*N.B. The Foundation specifically men-*

*tioned to us that research oriented individuals may be interested in the results of a survey in co-operation which it has undertaken. Also, it would be glad to consider articles on all sectors of co-operation which conform to its standards for its next year book.*

#### The Association for Workplace Democracy (AWD)

American-based, AWD provides a forum for bringing together researchers, workers, labour union leaders, teachers, managers and activists by means of a national network comprised of regional and local groups.

An alternative approach to traditional management and ownership of enterprises is promoted by AWD through the practice of employee ownership and management of organizations. It publishes a quarterly journal, *Workplace Democracy*; holds regular conferences; co-ordinates research; organizes its members into active local chapters; and does consulting.

*Various categories of membership are available from AWD, 1747 Connecticut Avenue N.W., Washington, D.C. 20009, (202) 265-7727.*

#### CONTACTS

**Paul Duchesne** has a limited number of free copies of a resource handbook on community economic development in the Ottawa-Carleton area. It contains an inventory of local community-based enterprises, three case studies, and a list of relevant resources (books, films, groups, people) available locally. Write to him c/o Association for Creating Enterprisers, 190 Maclaren St., Ottawa, Ontario K2P 0L6.

**Wes Hare** of the Twin Streams Educational Centre in North Carolina has a video of a television program about a garment workers co-op which Twin Streams assisted. *For further information on this or about Twin Streams, write to 243 Flemington Street, Chapel Hill, North Carolina 27514, USA. (919) 929-3316.*

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