

Private Members' Business

was important for governments at all levels to develop policies to meet the needs of workers co-operatives.

Workers co-operatives are businesses owned and directed by the people who operate them. In 1988 there were about 450 worker co-ops in Canada, more than double the number operating four years earlier. These businesses provide employment for about 15,000 Canadian men and women and had sales of well over \$100 million.

Allow me to provide you with some examples of successful workers co-ops. In Montreal, Harpell Press has been run as a co-op since 1947. It is one of the largest workers co-ops and prints in the Canadian edition of the *Reader's Digest*. Another Montreal co-op organizes northern adventure trips and mountain climbing courses. In the maritimes there is a very active co-op making Acadian hooked rugs. In British Columbia a new co-op specializes in desk top publishing.

Printing, baking, forestry and construction are just a few of the industries where worker co-ops have traditionally been active. In recent years some workers' co-ops have successfully established in the high technology field of computer software. In 1988 workers' co-ops moved into some new areas including two home health care co-ops in Nova Scotia, the Co-operative of Organic Food Growers in Prince Edward Island, and a health food co-op that sells meat from animals nourished with feed free from sprays and pesticides.

There is really no area that is not suitable for workers co-ops. Theatre, taxis, ambulance services, ventilation equipment manufacturing and building maintenance are some of the other enterprises run by workers co-ops. Many Canadians and their communities are highly dependent on a single industry. For them, finding a solution to plant closures is a top priority. Workers' co-ops can often provide that solution. That is why the federal, provincial and territorial governments are interested in encouraging their development. A recent study in New Brunswick and Nova Scotia indicates that workers co-ops actually have a better chance of survival than conventional businesses. According to this report, 58 per cent of the workers' co-ops are still in business after six years. This compares well to the 70 per cent to 80 per cent failure rates typically reported for Canadian business in their first five years.

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I would now like to discuss the strategy process that was set in motion at last year's Conference of Ministers that was held June 14 in Halifax. Immediately following the conference, a committee headed by the federal government's co-operative secretariat, including representatives of all 10 provinces or provincial governments and the Northwest Territories, was established and began holding meetings to draft the strategy. The co-operative sector was invited to make its views known and to offer suggestions. The committee delivered its proposed national strategy for the development of workers' co-operatives on January 3, 1989. The report made three levels of recommendations.

Level one calls on governments to "provide equality of treatment" by amending legislation, regulations and policies to eliminate factors that limit the development of workers' co-ops.

Level two recommends that governments "provide equality of opportunity" by making legislative provision for the transfer of incorporation from a company to a co-op.

Level three proposes that governments "provide positive encouragement to the creation of workers' co-ops".

The minister recognizes that governments can provide an environment that enables co-ops and private enterprise to compete as equals. At the conference on October 20 he and his provincial counterparts studied the recommendations and discussed the follow-up to the national strategy to ensure that this type of environment exists. Some provinces have already done what the report recommends, while others are moving in that direction.

As a result of the minister's consultations the national strategy is now closer to implementation in all provinces. The federal government's co-operative secretariat will now undertake bilateral negotiations with the provinces to further advance the process.

This is not just a provincial matter, and I think all members in this House recognize that. The federal government is also responding to the report's recommendations: \$5 million from unemployment insurance is being spent on research into the development of workers' co-ops. In addition, proposed changes to the unemployment insurance program are designed specifically to assist the capitalization of workers' co-ops. The