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BUSINESS

Asbestos substitutes dangerous, Masse says

By Penny MacRae
Canadian Press

THETFORD MINES, Que. — Asbestos substitutes could pose a greater hazard than the genuine controversial fibre, federal Energy Minister Marcel Masse says.

"We have proof that many of the substitutes may be worse in terms of health," Masse told reporters Friday.

More research should be done into the danger of substitutes, said the minister whose riding of Frontenac is in the heart of Canada's hard-pressed asbestos industry.

Asbestos has been linked to lung cancer, but three studies presented at a meeting sponsored by the World Health Organization (WHO) last October indicated some workers exposed to synthetic fibres for 30 years or more also contracted lung cancer.

Masse said a great deal of study has gone into how to use asbestos safely.

Masse said Canada is starting to win its fight to rehabilitate the reputation of asbestos. He cited the U.S. Environmental Protection Agency's recent decision to review its proposed 10-year ban on use of the fibre.

The agency announced it would reconsider its proposed ban after tough cross-examination at hearings by asbestos experts.

"It must have been a 'big embarrassment for them to acknowledge they may have been wrong,'" Masse said.

Last month, Canada formally asked the agency to withdraw the proposed ban.

Canada is the non-Communist world's leading producer of asbestos and has long provided nearly all of the mineral used in the United States.

Lung cancer

But since 1979, when reports linking the inhalation of asbestos fibres to lung cancer and asbestosis, another lung ailment, began to take a toll on the industry, Canada's production has tumbled by more than 40 per cent.

In Quebec, which makes up about 85 per cent of Canadian production, the workforce in the asbestos industry has declined since 1980 to 1,500 from 9,000.

Claude Forget, president of the Asbestos Institute, which is funded by the federal and Quebec governments and lobbies on behalf of the industry, said the Environmental Protection Agency (EPA) has promised an answer next month to Canada's request for withdrawal of the proposed ban.

"The longer this drags on, the more it hurts the industry," Forget said.

Masse was in this community 200 kilometres east of Montreal Friday to present the Asbestos Institute with a \$500,000 cheque, the first instalment of a \$2-million grant.

Worker-owned co-operatives should be wave of the future

By Jack Quarter
Special to The Star

With the official unemployment rate glued to about the 10 per cent mark and with the unofficial rate much higher, policy makers are looking at the big picture and proposing solutions that would have a major impact on this social problem.

In the rush to discover the elixir, innovations that are not going to make much of a dent on the stats, but nevertheless have a proven track record, are downplayed and often ignored.

Take, for example, the worker co-operative — businesses which are owned in common and operated by the people who work in the business. This is a relatively untried idea in Canada, but one that is becoming increasingly popular because of demonstrated success in other countries.

First year

Two provincial governments — Quebec and Manitoba — have small programs to assist the formation of worker co-operatives. As a result, there are now about 10,000 worker-owners in Quebec, including about 10 per cent of that province's forestry workers, and more than 100 worker-owners in Manitoba, a province whose program is just completing its first year.

But why is a government program needed? Why can't worker-owners start a business in the same way as others? Well, some do, and do so very successfully.

For example, The Big Carrot Natural Food Market, on Danforth Ave., in Toronto's east end, was started three years ago by nine unemployed workers. The store took off, quickly amassing annual sales in excess of \$2 million and is currently in the process of expanding into a 40-member supermarket-type complex that will be part of a 10-store plaza (Carrot Common), of which The Big Carrot will be 35 per cent owner.

Many other examples also could be cited, from the Lamford Mills Forestry Products worker buyout of a failing British Columbia company to Harpell Printing, a Montreal company that was sold to its employees at the end of the war and which currently has sales of about \$12 million.

Total ownership

But worker ownership and, particularly, total worker ownership, is an idea which is unfamiliar to most Canadians. It has to be explained and to be promoted like any other novel concept.

And even when the idea catches on, technical assistance with a proper feasibility assessment, a business plan and help in

Monday Forum



Canada's economic and financial future is of vital concern to everyone. What can and should we do to stimulate production, employment and a viable economic climate?

To stimulate public discussion, The Star will present each week the views of opinion leaders, economists, business and labor leaders on a business or economic issue.

Today's article sets forth the opinion of Jack Quarter, a teacher of community psychology and development at the Ontario Institute for Studies in Education.

democratic-workplace organization is required. Evidence from other countries, such as Britain and the United States, suggests this is best done by consultants specializing in worker-owned and operated businesses. But ordinary working people often lack the resources to pay for these services and qualified consultants, even if their hearts are in the right place, have to earn a living. Some form of government assistance is needed.

Also, potential worker-owners often lack the resources to finance themselves properly. This is a problem for new businesses in general, but even more so for worker-owned enterprises. Conventional financial institutions often look askance at loan requests for businesses in which the equity investment is distributed among a large group of workers rather than a single owner.

For example, in spite of its successful track record as a business, conventional financial institutions rejected The Big Carrot's applications for financing to expand. In the end, financing was secured after an arduous, time-consuming process, through a combination of Federal Business and Development Bank financing and customer loans.

And that was for a successful business. What about business start-ups or buyouts in which financing must be raised quickly? At minimum, loan guarantees and risk-capital funds are required — often not at great cost.

In the context of provincial budget, a program that would support a network of regionally based resource groups and that would assist with business financing and assessment and public education would be a piddling investment by the government.

This investment would probably create hundreds of jobs in the startup phase, both for prospective worker-owners and consultants, and thousands of jobs as the program caught on.

Viewed from the commanding heights, where most economists sit, hundreds of jobs "ain't much." But small ideas grow, sometimes beyond the wildest dreams of their initiators.

In 1956, when five young engineers started manufacturing appliances in the Basque region of Spain, they probably would not have believed that their company, ULGOR, would blossom into Spain's largest producer of household appliances, and their co-operative would become the flagship of a system of industrial co-operatives (the Mondragon Group) that now embraces 20,000 worker-owners and has annual sales of \$1.6 billion (about one-third in exports).

Decent jobs

Ontario is not the Basque region of Spain, so the Mondragon experience might not occur here. But when so many young people cannot find decent jobs and when so many plants — some of which are financially viable — are being shut down and when so many small, independent family businesses are being liquidated because a successor is not available, what does Ontario's government have to lose in a small investment that would encourage working people to own and to operate their workplaces? At minimum, it will create some jobs and be a statement of faith in the talents of ordinary people.

And just possibly it may stimulate the type of creative energy that has spawned the Mondragon system of Spain.

U.S. dollar falls in Japan, Europe despite support

LONDON (AP) — The U.S. dollar plunged to a record low today against the Japanese yen and kept falling against other major currencies when European trading opened.

Despite heavy central bank intervention, the dollar plunged 2.80 yen from Friday to close at 146.20 yen in Tokyo, its lowest rate since modern exchange rates were set in the 1940s.

Later in London, the dollar rallied slightly to 146.40 yen.

Traders in Tokyo, where dealing ends before European markets open, estimated the Bank of Japan bought \$1.5 billion in morning trading alone in an attempt to prop up the U.S. currency.

"With close co-operation and co-ordination with other countries, we hope somehow to stabilize" the yen-dollar exchange rate, central bank Gov. Satoshi Sumita told the Diet, Japan's parliament. The high yen makes Japan's exports expensive.

Tokyo market collapses after U.S. retaliatory tax announced

TOKYO (Reuter) — The roaring Tokyo stock market collapsed today after an order by the United States to impose punitive duties on Japanese exports knocked the wind out of investors, brokers said.

Investors evacuated stock holdings in export-oriented firms after President Reagan's decree on Friday to levy a tariff which would double the price of some Japanese exports, especially electrical goods.

The 225-share market index nosedived 550.45 points, its second largest fall in history, to close at 21675.04.

Brokers said the recent headlong fall of the dollar against the yen, which makes Japanese exports even more expensive, only added to the blow dealt by Reagan to Japan's exporters.

Bilateral accord

"When investors see big multinationals start getting hit, there is a general lack of confidence in the market," said one broker, who noted that almost all exporting firms' shares slumped.

Profit-taking after the previous two days of record-setting rallies extended the decline to a broad array of shares, brokers said.

But many brokers believe today's market downturn was just a quick breather. They said the trade tariffs ordered by Reagan, scheduled to take effect on April 17, may actually never materialize.

Implementation of Reagan's threats, which include 100 per cent taxes on \$300 million worth of Japanese exports, may be averted if Japan makes moves to adhere more faithfully to a bilateral accord on computer microchip trade, brokers said.

Gold price highest since October

LONDON (Reuter) — Gold, fuelled by the weak U.S. dollar, soared in hectic trading in London this morning, opening at its highest levels since October, dealers said.

Its price climbed more than \$9 (U.S.) an ounce, to begin the day at around \$426 (U.S.) an ounce, before easing to its morning fix at \$421.80 (U.S.) an ounce.

Investors, worried that an all-out trade war could break out between the United States and Japan, piled into the gold market today, dealers said.

Edmonton Savings and Credit Union under investigation

EDMONTON (CP) — An investigation is under way into the Edmonton Savings and Credit Union, Alberta Treasurer Dick Johnston announced Friday. The minister said he has advised

both the credit union and the Credit Union Stabilization Corp. to get legal counsel.

Johnston would only say the investigation may deal with misap-

propriation of funds or fraud. Edmonton Savings was taken over by the Credit Union Stabilization Corp. when it began losing money because of shrinking real estate values.

Alberta lent \$931 million to businesses

CALGARY (CP) — Small businesses across Alberta have received loans worth almost \$931 million from the provincial government's special assistance plan announced last spring.

A government statement shows more than 12,600 applications for help averaging \$84,960 each have been received by the Alberta Small Business Assistance Plan.

Some applications were not accepted. But of those remaining, 17,275 loans resulted for the total of almost \$931 million.

The plan makes \$1.1 billion available to small business through guaranteed rate-financing backed by the province.

Service industries

Economic Development Minister Larry Shaben said about 63 per cent of the loans so far are for terms of 10 years.

Service industries top the list with 35 per cent of the allocated funding. The retail industry is next at 25 per cent and the construction, transportation and manufacturing industries each received 8 per cent.

Small businesses with less than \$1 million in gross annual revenues have been the largest recipients with more than 73 per cent of total commitments.

The program allows loans of up to \$150,000, of which \$50,000 can be used for operating expenditures. Money can be borrowed for up to a 10-year period. The minimum is three years.

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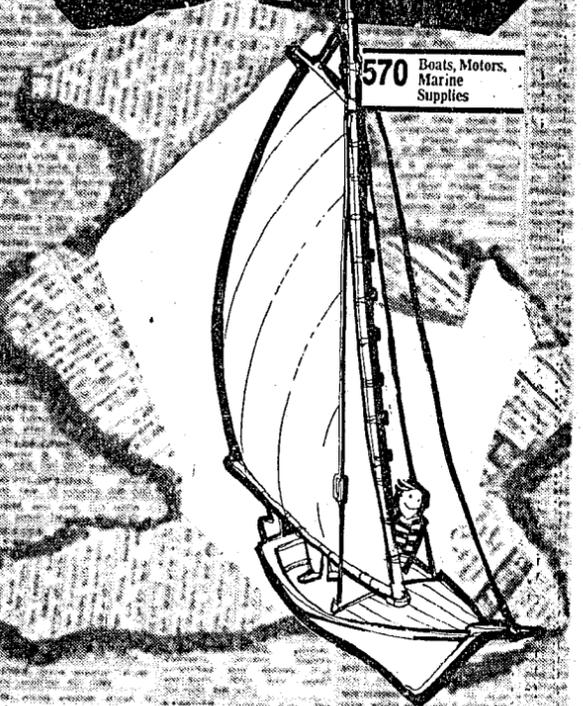
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