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Holding the Line in the Canadian Pulp and Paper Industry
Priority #1: Draw a Line in the Sand to Defend Past Gains

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then the present downturn will only cement the longer-term erosion and weakening of the labour movement. Whether we come out of this crisis stronger (as occurred in the 1930s) or weaker, therefore, depends on the response that we are able to mount.

Holding the Line in the Canadian Pulp and Paper Industry

Priority #1: Draw a Line in the Sand to Defend Past Gains

Fred Wilson

Amidst the economic crisis of 2009 and the loss of tens of thousands of manufacturing jobs, one key strategic challenge for Canadian labour is how to hold the line and protect the fundamental standards and rights in collective agreements. In the weighing of risks, union leaderships are more than aware that either losing a collective bargaining struggle, or failing to rise to the challenge of a struggle, can result in more than a bad contract. Even worse, these defeats can dramatically change the rules of the whole game for the worse. In particular, industry and pattern-bargaining regimes that increase and protect standards for large groups of workers can be undermined or broken.

Strategic leadership has never been more important. In my experience, the leadership we need involves several features. First, a clear basis of unity and set of principles that allows members to make choices – often difficult, painful choices. Unions must also have organization that gives a concrete form to solidarity. And leadership must ensure that resources are in place to allow unions to take on a fight to the finish, and to finish it.

It is hard to imagine a group of workers more besieged by globalization and the economic crisis of 2009 than Canadian pulp and paper workers. In the past two years, about a quarter of their industry has been closed. Their goals today are certainly defensive, but, in my view, highly strategic. They are making choices, organizing, and struggling to hold the line.

In October 2008 at the national convention of their union (the CEP), President Dave Coles set out the choice that the union had made. "When this battered industry emerges from this dark period, our ranks will be smaller – they already are. But our pensions, our standard of living and our pattern bargaining systems will be intact."

The pulp and paper industry in Canada has highly centralized bargaining with two pattern systems, a western pattern and an eastern pattern. The two patterns follow each other on key issues like wages and term.

Workers in Eastern Canada from 100 local unions and about 50 mills come together in a caucus which develops a common bargaining agenda and selects the pattern company. The caucus has a rich tradition of solidarity, and in 1998 it won a fifteen week strike against Abitibi Consolidated over the sole issue of group bargaining. In that dispute, the caucus began a "supplementary strike fund" that in three labour disputes to defend the pattern since 2005 has provided $18 million of extra strike pay for workers (paid through weekly deductions directly from the working members in the caucus).

In November of 2006, the caucus faced a major test. Abitibi Consolidated had convinced the local unions at its Belgo, Quebec mill to open their agreement and give concessions that broke the pattern. The caucus met immediately to resolve that this breach would not be repeated and they developed new guidelines for crisis negotiations when mills faced imminent closure. They agreed that local efficiencies and short term cost relief could be negotiated, but the terms of the industry agreement could not be compromised. Six months later, the company underscored the point that breaking the pattern would not save jobs, when it closed the Belgo mill despite the concessions. Many painful decisions have been made while mills have closed in 2008 and 2009, but no local unions have since agreed to fruitlessly try to "save the mill" by breaking the pattern.

In the case of Grand Falls, Newfoundland, workers were forced in 2008 to vote on demands from AbitibiBowater to eliminate about half the jobs in the mill and to allow contracting out of all "non-core" work. Knowing fully the stakes, the membership voted twice by overwhelming margins to refuse the concessions, and in December 2008 the company announced that this mill would close also. Soon after, the province seized the company's timber rights and hydro dams, provoking a high profile dispute and the threat of a NAFTA case against the province. By refusing to absorb the effects of the crisis through concessions in their contract, the Grand Falls workers forced the pressure in other directions – in this case sparking a startling change in political direction.

The Grand Falls decisions seemed to indicate that members have accepted that bargaining backwards won't ultimately change the economic fundamentals that result in a decision to close a mill. Nor did they believe that the survivors left after the cuts would have a very viable future. In short, they were psychologically ready to tell the company to do what it would do.

The union has been forced to reaffirm its choices repeatedly in crisis bargaining. In April 2008, AbitibiBowater asked the union to open bargaining a year early and to give wage and pension concessions. The union signaled that a cost-neutral agreement was possible, but not concessions, and the early negotiations failed. By the start of 2009, the economic crisis had hit and the company then asked the union for a "roll-over" agreement, similar to the one it walked away from in 2008, but which would now forfeit a wage increase pattern that had been set in the interim in western Canada. The CEP caucus met and, in spite of growing fear of bankruptcy at AbitibiBowater, told the company that it would not agree to a roll-over that would break the western pattern.

In the countdown to the expiry of the industry agreements on May 1, 2009, the drama surrounding AbitibiBowater's attempt to refinance debt at the risk of bankruptcy has once again raised the stakes. In a bankruptcy-driven restructuring, should the union then roll back wages and benefits at some mills? Would it be any more likely in that situation that concessions could save jobs?

The CEP's paper industry caucus has made a choice to hold the line and, to this point, they have not crossed that line. The caucus is convinced that if separate deals to save mills undercut their industry agreement, not only wages and benefits, but the overall pattern bargaining system and the caucus itself will be undermined.

Dave Coles' prediction that the union's paper caucus will be smaller when it emerges from the crisis is certain. But if it does so with pattern bargaining intact and without sacrificing its basic wages and benefits, tens of thousands of pensioners and the next generation of workers will owe these union leaders a great debt. By holding the line on our existing standards, defensive struggles against concessions – even if they involve plant closures and job losses – will be historically important in both preserving the value of our movement's past gains, and in demonstrating concretely that workers will not pay (through concessions) for a crisis they did not create.

Pushing the Envelope: Defining and Fighting for a Living Wage

Priority #2: Demand More From the System, Not Less, Despite the Crisis

Marcy Cohen

> Families who work for low wages face impossible choices – buy food or heat the house, feed the children or pay the rent. The result can be spiraling debt, constant anxiety and long term health problems. In many cases it means that the adults in the family are working long hours often at two or three jobs just to pay for basic necessities. They have little time to spend with their family, much less to help their children with their school work or participate in community activities.[9]

THESE WORDS APPEAR in the introduction to a recent report from the BC branch of the Canadian Centre for Policy Alternatives calling on private and public sector employers in Vancouver and Victoria to pay their direct and con-

9. Tim Richards, Marcy Cohen, Seth Klein, and Deborah Littman, *Working for a Living Wage 2008: Making Paid Work Meet Basic Family Needs in Vancouver and Victoria,* Canadian Centre for Policy Alternatives (Vancouver 2008), 6.