

# The Lumber Industry in British Columbia

## La négociation multi-employeur : l'exploitation forestière en Colombie-Britannique

Stuart Jamieson

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### Article abstract

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# Multi-Employer Bargaining: The Case of B.C. Coast Lumber Industry

Stuart Jamieson

*The author stresses the point that multi-employer bargaining in a primary or resource-based industry is under some circumstances at least, quite different in character and consequences from its counterpart in other types of industries or other contexts. To illustrate his point, he presents the case of the B.C. Coast Lumber Industry.*

The terms « centralization » and concentration in collective bargaining are usually associated with the concept of « multi-employer » or « industry-wide » bargaining on a regional or national scale. In some countries, and in a few cases on this continent, the concept has been extended to embrace what might be called « multi-industry, multi-union » bargaining.

Multi-employer bargaining has been built on several bases. For example :

- 1) a common market for competing producers of a particular good or service (e.g. fresh milk deliveries in a metropolitan area) ;
- 2) similar plants or other production facilities for producing similar types of goods for a variety of markets (e.g. primary steel products in the U.S.) ;
- 3) employers utilizing similar technologies or similar types of specialized labour ;  
and

JAMIESON, Stuart, professor, Institute of Industrial Relations, The University of British Columbia.
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- 4) firms utilizing the same type of resource in a particular region or location (e.g. the number industry on the B.C. coast).

I am drawing these rather obvious distinctions in order to stress a particular point at the outset, namely, that multi-employer bargaining in a primary or resource – based industry is, under some circumstances at least, quite different in character and consequences from its counterpart in other types of industries or other contexts. In this respect, a number of observations that one may make about the Coast lumber industry of British Columbia probably would apply also to other resource based industries, such as the fishing and canning industry of the B.C. Coast, and coal-mining and metal mining and smelting in numerous other areas of this continent.

The terms « centralization » and « concentration » are often viewed as being related, or almost inseparable. « Centralization », in the industrial relations context, means that the processes of bargaining and decision-making are, to a greater or lesser degree, surrendered by individual employer firms or plants, and by union locals, and assumed by larger central union and employer association representatives. « Concentration » tends to accompany « centralization » as an increasing number of issues formerly dealt with on a local scale become the subjects of bargaining, decision-making and administration by the central executives of union and employer associations. (This is not always the case, however).

Most labour economists on this continent seem to feel that centralized industry-wide bargaining conduces to greater efficiency in labour-management relations, as measured by a number of criteria. One of the strongest cases in this vein was presented in a study by Lester and Robie, some twenty-five years ago, of multi-employer bargaining in seven industries in the United States<sup>1</sup>. Their findings were supported, in large part, by later studies by C. Kerr and L. Fisher<sup>2</sup>, and by F. Pierson<sup>3</sup>, among others. The advantages claimed by these authors for multi-employer bargaining are by now a familiar part of the literature of

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<sup>1</sup> LESTER, R.A. and E.A. ROBIE, *Wages under National and Regional Collective Bargaining*. Princeton University, Princeton, N.J., Industrial Relations Section, Dept. of Economics and Social Institutions, 1946.

<sup>2</sup> KERR, C. and L. FISHER, « Multiple-Employer Bargaining – the San Francisco Experience », R. Lester and J. Shister, eds., *Insight into Labour Issues*, MacMillan, 1946.

<sup>3</sup> PIERSON, F. R., *Multi-Employer Bargaining*, Wharton School, University of Pennsylvania, 1948.

industrial relations : it saves time and effort in collective bargaining, where one « master contract » can be negotiated for the industry, instead of a multiplicity of agreements for each employer firm ; the establishment of standard wages, hours and other conditions of work remove labour from competition without reducing employer incentives to achieve greater efficiency and reduce costs in other areas ; greater « wage stability » is achieved, as wages rise less rapidly in boom periods and fall less rapidly during recessions ; there is less internecine conflict within union ranks, as disparities in wages and working conditions are reduced among workers doing the same types of jobs for different employers ; union are rendered more secure against the threat of rivalry and displacement from other organizations ; union and employers representatives can be more objective and far-sighted in their bargaining negotiations, and take the public interest more into account, as they are farther removed from local pressure and the immediate interests of their constituents ; strikes tend to be fewer in number because of these various advantages ; where strikes do occur, of course, on an industry-wide basis they tend to be larger, more prolonged and costly, but this fact in itself puts greater pressure on unions and employers to bargain rationally and reach agreement. And so on.

Comparative industrial relations studies have tended to reach some of the same conclusions. A.M. Ross and P. Hartmann in their *Changing Patterns of Industrial Conflict*<sup>4</sup>, a survey of 15 countries published about ten years ago, found that the overall incidence of strikes was far higher in Canada and the United States than in other comparably industrialized countries in Western Europe. One of the important factors explaining this divergence, according to the authors, was the highly « segmented » collective bargaining structure on this continent, wherein about two thirds of all agreements are, or were, negotiated between individual employers and union locals. In most countries of Western Europe, by contrast, most workers are governed by collective bargaining agreements negotiated by central union bodies and employer associations<sup>5</sup>.

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<sup>4</sup> Ross, A.M. and P. HARTMANN, *Changing Patterns of Industrial Conflict*, New York, 1960.

<sup>5</sup> In subsequent studies, however, Ross found a tendency for union-employer relations and collective bargaining in several West European countries becoming more *decentralized*, and tending towards the North American pattern. (See Ross, A. M., « Prosperity and Labour Relations in Western Europe », *Industrial and Labour Relations Review*, Cornell University, October, 1962.

The much higher incidence of strikes in several West European countries in recent years, moreover, would seem to indicate that centralized industry-wide bargaining does not, in itself, serve to allay labour unrest and conflict.

A number of prevailing trends would seem, for obvious reasons, to encourage the growth of centralized multi-employer bargaining in a widening range of industries. Technological changes, improvements in transportation and communication, and the consequent broadening of markets and sources of supply have conduced to growing concentration in many industries in fewer but larger corporate units. At the same time, there has been growing integration in corporate ownership or control over different stages of the production process and (not the same thing by any means) the significant increase of multi-industry and multi-product « conglomerates » that operate across national boundaries. Such developments, among others, have forced governments to intervene to a growing degree in economic affairs, including labour-employer relations, to protect the interests of the public (or some such interests, at least). It could be reasonably argued that unions in industries affected by such trends, if they are to achieve or maintain any semblance of equality in bargaining power and protect the interests of the workers they represent, must reorganize their structures to become larger, more centralized bargaining agencies, to merge or consolidate into larger aggregations in some cases, and/or to act together more effectively in allied councils or associations in others, as various combinations of circumstances would seem to call for.

### **The B.C. Coast Lumber Industry : A Special Case ?**

The perhaps overly-lengthy introduction presented above seems necessary as a background for analyzing the lumber industry of coastal British Columbia, as one case-study of multi-employer bargaining. The industry has been going through the types of changes outlined above. But whether the bargaining structure and procedures have become more « centralized », as would seem logical, is open to question. As will be brought out later, some developments indicate a trend in this direction, while others suggest the opposite. Such divergences may go far towards explaining some of the more peculiar features of labour-management relations in the industry.

One feature stands out above all, namely, the inordinately high incidence of industrial conflict. Multi-employer bargaining on a regional scale has applied in the B.C. Coast lumber industry for more than a quarter of a century. From the findings of Lester and Robie, and others, one would expect therefore that union-employer relations would by this time be « mature » and that the industry would stand out as a model of harmony and stability. In fact, such relations are anything but mature,

stable or harmonious. The lumber industry of the B.C. Coast has accounted for a disproportionate share of industrial strife in the Province, as measured by any or all conceivable indices. During the decade 1949-59 this one industry, accounting for about 10% of the paid labour force in B.C. accounted for about 20% of all strikes, almost one-half of all strike participants and almost two-thirds of all man-days lost in strikes<sup>6</sup>. Two large and protracted strikes in the industry, in 1952 and 1959 alone accounted for more days lost than the total for all other strikes in all other industries in the province during the decade.

The disproportionate numbers of strike participants and days lost in the industry are to be accounted for mainly in a few large « interest » disputes that were subject to legally required conciliation procedures in the negotiation of new agreements. Coast lumber, however, has also experienced a disproportionately large number of illegal « wildcat » strikes, which have far outnumbered the authorized strikes.

The industry did not experience any such large or protracted shutdowns during the 1960's. On the other hand, as may be seen from Table I, the number of wildcat strikes greatly increased, reaching a peak of 21 in 1969 (and these, it should be noted, have occurred among a labour force that has been declining in numbers over the past two decades). One industry-wide shutdown, threatened to develop in 1966, and did involve more than 6,000 workers. It was settled only through special measures of pressure by the Provincial Government, which appointed a prominent member of the B.C. Supreme Court as a special Industrial Inquiry Commissioner. Because of his special status, he was able, in effect, to impose a sizeable wage settlement on the industry, which served to stop the strike. It was widely anticipated that there would be another industry-wide shutdown this month (June, 1970) as negotiations for a new agreement beginning June 15th broke down early in March. This now seems unlikely, as a five-week strike of towboat crews has brought widespread layoffs and shutdowns in Coast lumber.

#### SOURCES OF CONFLICT

There are many features more or less special to the industry to explain this peculiar pattern of conflict. Some of what would appear to be major contributing factors are discussed briefly below.

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<sup>6</sup> JAMIESON, S. « Regional Factors in Industrial Conflict: the Case of British Columbia », *Canadian Journal of Economics and Political Science*, August 1962, p. 408.

TABLE I  
 STRIKES IN THE COAST LUMBER INDUSTRY  
 IN BRITISH COLUMBIA, 1949-1969

Year	Authorized		Unauthorized		Total
	No.	Man-Days Lost <sup>1</sup>	No.	Man-Days Lost <sup>2</sup>	
1949	0	—	—	—	—
1950	0	—	6	4,977	4,977
1951	1	90	2	312	402
1952	1	1,035,000	2	158	1,035,158
1953	0	—	2	1,850	1,850
1954	0	—	2	945	945
1955	2	1,002	5	1,355	2,357
1956	1	1,665	2	5,667	7,332
1957	0	—	—	—	—
1958	0	—	6	2,757	2,757
1959	2	1,233,950	1	1,125	1,235,075
1960	0	—	1	1,128	1,128
1961	0	—	1	42	42
1962	3	373	3	9,262	9,635
1963	1	2,163	1	37	2,200
1964	1	432	2	305	737
1965	0	—	2	1,140	1,140
1966	1	86,520	4	1,849	88,369
1967	0	—	7	7,211	7,211
1968	3	6,803	11	19,589	26,392
1969	1	2,196	21	15,553	17,749

<sup>1</sup> Man-Days lost include only unions involved *directly* in strikes or lock-outs. This figure takes no account for other workers who may have refused to cross picket lines or for other reasons become unemployed because of strikes.

Source : B.C. Department of Labour, *Annual Reports*.

### *The Kerr-Siegel Hypothesis*

Clark Kerr and Abraham Siegel during the mid-1950's carried out a comprehensive survey of the « inter-industry propensity to strike », covering dozens of industries in 15 countries. They found a remarkable degree of consistency in industrial relations patterns. In almost every country surveyed it was found that the industries with the highest in-

cidence of strikes were mining, longshoring, lumber and textiles. The authors attributed the high incidence of strikes to such factors as : the large proportion of *transient* single workers employed in such industries (with the exception of textiles and, more recently, longshoring) ; the geographic and social isolation of the workers, like a « race apart », living in one-industry towns or special districts in cities where they have little contact with other occupational groups or classes ; the limited opportunities for a stable family life ; and other special hardships or limitations associated with work in such industries. These problems generate many frustrations and grievances, and, more important, what Kerr and Siegel call « the totality of verbally shared grievances » tends to develop into a consensus of sentiment hostile to employers (particularly where these are absentee owners). To quote : « The strike for the isolated mass is a kind of colonial revolt against far removed authority, an outlet for accumulated tensions, and a substitute for occupational and social mobility » <sup>7</sup>.

Several of these observations would help account for the high incidence of conflict in the Coast lumber industry – particularly the prevalence of wildcat strikes. Loggers in particular have had a long tradition of militancy and radical ideologies dating back to the days of the I.W.W. arising in large part from the isolated and harsh conditions under which many of them had to work. Some of Kerr's and Siegel's conclusions would have to be rejected, however. Their findings do not explain, for instance, why loggers and sawmill workers go on strike more frequently, in larger numbers and longer periods of time, on the average, on the Coast than in the Northern or Southern Interior regions of the Province, or in Ontario, Québec, or the states of Washington and Oregon. Indeed, with the greatly improved transportation and communication facilities that have developed in recent decades, and with the increased concentration of production facilities in a few « key centers », loggers and sawmill workers on the Coast are far less isolated than they once were, and generally less than their counterparts in other regions of this country.

#### *Industrial Boundaries, Union Structure and Jurisdiction*

Such considerations lead to another question, namely by what criteria an « industry » is to be defined. This question presents special difficulties in such matters as job descriptions and negotiated rates of

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<sup>7</sup> KERR, C. and SIEGEL, A., « The Inter-Industry Propensity to Strike : an International Comparison », in Kornhauser, A., Dubin, R. and Ross, A. M., eds., *Industrial Conflict*, New York, 1954, p. 193.



pay, union structure and jurisdiction, and the appropriate areas of collective bargaining.

Let us consider the Coast lumber industry itself. Logging operations vary in size from large camps employing hundreds of men, to small operations employing only a handful. In the former case, there is a high degree of specialization and division of labour, with dozens of job classifications, each paying a different wage according to degree of skill, etc., while in the smaller operations every worker has to be a sort of « jack of all trades ». Discrepancies are frequent in such situations, and give rise to disputes and wildcat strikes.

Again, there is the division between Coast and Interior. In previous years logging and lumber operations on the Coast have differed so markedly from the Interior regions of the Province – in climatic and topographical conditions, in size and species of trees, in techniques of logging, in size and scale of sawmilling operations, in markets, and in types of labour employed – as to be deemed separate industries. Data compiled by Federal and Provincial government departments have usually drawn distinctions between the two and these have been also reflected in special divisions or « sub-districts », within the I.W.A., which deal with separate employer associations.

A growing similarity has developed in recent years in the lumber industry as between these different regions in the province. This has been a result of greatly improved transportation facilities, growing competition in some of the same markets, the adoption of similar techniques and equipment that favor larger scale operations, and a forest policy by the provincial government that encourages concentration of operations in the hands of large integrated concerns. This growing similarity and competition, were manifested in a protracted strike of logging and sawmill workers in Southern Interior of B.C. in 1967, in which the central issue was the demand for wage parity with their counterparts of the Coast.

A further question of defining industries, with accompanying problems of jurisdiction, arises from the trend towards growing integration in large concerns. To an increasing extent, as noted earlier, the prevailing trends in technology and markets, coupled with government forest management license policy, encourage large concerns to acquire control over an increasing proportion of forest resources, and to use an increasing proportion of their logging output for the production of products other than lumber (e.g. pulp and paper, hardboard, rayon and other synthetics). Close integration is favoured where wood chips and slabs

from sawmills are used for producing such products. This trend tends to generate some jurisdictional problems and pressure for closer co-operation, and possible amalgamation, between the I.W.A. (representing logging and lumber workers) and the unions of pulp and paper workers, particularly the industrial-type union of Pulp, Sulphite and Paper Mill Workers. The larger employer firms while carrying out major steps of integration on their own, as described, have exhibited considerable hostility to similar tendencies on the part of unions<sup>8</sup>.

### *Basic Instability of the Lumber Industry*

The lumber industry, like construction (and, of course, depending on the latter as a basic item of input) is subject to severe seasonal and often unforeseen and erratic cyclical fluctuations in sales, prices, output and employment. It also faces the hazards of unforeseen and unpredictable climatic conditions (e.g. drought, unusually heavy snowfall, etc.) that may shut down logging and sawmilling operations for weeks, or even months, at a time. There are also the uncertainties of foreign markets, what with sudden changes in import quotas, exchange rates, and the like, that tend to have a major impact upon an industry that exports almost three-quarters of its total output to highly competitive markets. And finally, there has been the rapid rate of technological change in both major branches of the industry and in consequence, large-scale displacement of labour. As may be seen from tables 2 and 3, employment in Coast logging declined by about 20% from 1949 to 1969, and in sawmilling by about 25%, in the same period.

These declines in employment, as may be seen from the tables, have been accompanied, and explained largely by, dramatic increases in output per man-hour.

These sources of uncertainty and insecurity, particularly for labour, render it difficult to achieve a stable and rational climate for collective bargaining and the administration of agreements.

### *Unfavourable Comparisons with Other Industries*

Coast lumber in collective bargaining negotiations and industrial relations generally operates within a rather narrow « orbit of coercive

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<sup>8</sup> This was exemplified in March 1970, when employer representatives abruptly walked out of the first negotiating session for a new agreement, because the negotiating committee of the union included the International Representative of the Pulp, Sulphite and Paper Mill Workers, as well as the Secretary of the B. C. Federation of Labour.

TABLE II  
AVERAGE HOURLY WAGE RATES FOR SELECTED INDUSTRIES IN B.C.  
(\$ per hour)

Date	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68
Construction	158	168	193	195	208	214	216	223	238	259	282	282	286	293	303	308	334	368	396	429
Forestry (Coast Logging)	135	146	169	177	182	181	186	193	207	213	223	235	234	244	253	263	280	300	321	346
Saw Mills	134	148	169	170	171	177	177	181	203	203	208	215	219	227	235	247	257	282	301	325
Pulp & Paper	133	141	171	180	186	189	197	207	209	218	221	247	247	252	266	278	283	325	343	352
Mining	111	121	146	142	152	163	167	175	182	194	197	208	211	211	218	229	240	271	286	314

SOURCE: Canada Department of Labour, *Wage Rates, Salaries, and Hours of Employment*, 1969.

TABLE III  
EMPLOYMENT INDEXES IN SELECTED INDUSTRIES IN B.C.  
(1949 = 100)

Date	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67
Construction	100	92.2	102.1	129.8	150.7	108.3	106.8	148.1	159.5	97.0	102.5	89.2	78.6	82.8	84.3	95.9	121.5	138.8	150.4
Coast Logging <sup>2</sup>	100.0	121.1	106.1	94.9	92.8	95.0	108.3	86.7	80.0	81.7	78.3	78.3	77.8	78.3	78.9	82.2	78.9	72.2	
Lumbering	100	107.9	119.8	96.1	101.6	101.5	110.9	113.1	97.6	91.6	92.5	99.7	94.8	99.9	104.4	105.9	106.6	106.5	98.4
Saw Mills (Coast)	100	115	112	102	105	105	97	89	89	82	77	77	72	75	76	78	78	78	77
Pulp & Paper	100	89.8	107.5	116.4	123.1	137.2	141.8	143.4	137.5	143.6	165.4	175.6	188.0	198.3	210.3	225.4	238.2	269.2	273.2
Mining	100	107.3	107.6	121.9	104.3	92.5	95.0	97.3	91.0	73.5	71.1	70.4	71.1	76.6	82.6	80.7	82.9	90.1	90.4
Transport (motor)	100	99.3	94.7	91.0	87.4	85.4	87.8	90.0	96.3	101.4	102.9	103.8	104.8	110.4	117.9	121.1	131.0	154.9	164.4
Service	100	94.3	95.7	96.6	98.6	102.4	112.1	124.1	127.3	124.0	121.8	125.9	129.5	136.7	142.9	163.2	170.7	189.5	

SOURCES DBS, *Annual Review of Man-Hours & Hourly Earnings*.

AVERAGE HOURLY WAGE RATE

1. Includes forestry (logging) saw and planing mill employment for British Columbia as a whole. Reliable data for these two aspects of the lumber industry were found impossible to get for the interior region.
2. (1950 = 100)

comparison », to use Arthur Ross's remark again. It is comparable to, and inseparably linked with, two other major industries in the Province, namely, construction and pulp and paper production.

The construction industry appears to be of major importance in affecting worker attitudes and union bargaining objectives in the lumber industry. At this point I can do no better than quote from an analysis I made some ten years ago, regarding the relationship between the two<sup>9 10</sup>. It seems to apply more than ever today, after several years of an unprecedented construction « boom » in British Columbia.

« The complicated interrelationships between the two industries – particularly as regards labour and union organizations – are provocative of maladjustment and conflict. Certain broad similarities in conditions of employment, on the one hand, lead workers in the two industries to look upon themselves as comparable, and each group is within the other's « orbit of coercive comparison » to use Arthur Ross's phrase. Both industries are largely in the capital goods category, and their workers are particularly vulnerable to seasonal and cyclical fluctuations in investment, output, and employment. There is a similar range and variety of skills between the two main groups and a number of occupations, particularly in mechanical work and maintenance, are virtually identical in logging, sawmilling, and construction. This factor has led, incidentally, to numerous jurisdictional disputes. And finally, on the Pacific Coast there has been intense competition for leadership and prestige, and at times bitter rivalry, between the International Woodworkers of America and certain major building trades unions for several years.

The two industries differ markedly, on the other hand, as regards such matters as the size and nature of their respective markets, structures and techniques of production, and elasticity of demand for labour. Equal or similar collective bargaining demands in the two industries, therefore, come up against different price and cost conditions and different employer attitudes and policies. Where the demand for construction goods tends to be price inelastic in the short run, in lumber it tends to be highly elastic. Where employers in the construction industry produce almost entirely for a local or regional market, and thus collectively have some control over the prices they can charge for their product, the lumber industry in British Columbia produces largely for export to the United States and overseas markets in close

<sup>9</sup> As noted earlier, employment in both logging and sawmilling on the coast have declined substantially over the past two decades, while in the construction industry it increased by more than 50% between 1949 and 1969 (though subject to very severe fluctuations in the intervening years. It almost doubled from 1961 to 1969. Similarly in rates of pay.

<sup>10</sup> JAMIESON, S., « Regional Factors in Industrial Conflict : The Case of British Columbia » *The Canadian Journal of Economics and Political Science*, August 1962.

competition with other producing areas, and therefore has little or no control over the prices it can charge. Organization and collective bargaining in the construction industry in British Columbia, though operating on a larger scale than in most provinces, is still highly segmented and competitive, as noted earlier. Hitherto this has operated to the advantage of the unions in terms of bargaining power and wage or fringe-benefit gains, at least in the short run. In the lumber industry, by comparison, the union is industrial in structure, encompassing all types of workers, and it bargains collectively with all major employers acting as a unit, on a regional scale. And finally, where technological change has had a very limited impact on the construction industry, in terms of overall displacement of labour, in logging and sawmilling it has been rapid and drastic in its employment effects. From 1949 to 1956 it made possible unusually large increases in output and profits for major firms in the industry without any appreciable increase in the size of the labour force. In general, then, the Woodworkers' union, while under pressure from its members to seek gains comparable to those won by the main unions in the construction industry, has been weaker in bargaining power, and has been faced with a group or larger and more unified employers who have had stronger incentives, and greater financial resources, to resist the union's demands. Wage increase for construction workers, consequently, were far larger than for lumber workers during the 1950's, and on those occasions where the latter made serious efforts to achieve parity with the former, protracted, industry-wide shut-downs resulted ».

Average weighted hourly wage rates in construction were above those in logging (forestry) and sawmilling by about 25¢ an hour in 1949. Since then the gap has widened considerably, and in recent years the differential has been \$1 an hour or more. (Incidentally, the figures in Tables 1 and 2 would seem to indicate that, in these industries at least, unions *do* seem to have a bargaining-power effect on wages, more-or-less independent of the market. There seems to be very little relationship between hourly wage rates and employment except in the short run, such as when a major boom in the construction industry creates shortages of skilled labour).

Labour in Coast lumber compares its position unfavourably also with its counterparts in the pulp and paper industry. While the former group suffers job insecurity, frequent layoffs, and declining employment opportunities in the long run, the latter have generally enjoyed stable, year-round operations, and a rapid and almost continuous increase in employment, with favourable prospects for the future. Average hourly rates in pulp and paper have also remained somewhat higher, and have risen at about the same rate as in logging and sawmilling over the past two decades.

Where lumber and construction in B.C. have been among the most « strike-prone » in the Province, pulp and paper has been relatively strike-free. The industry has experienced only one major shutdown, that of 1957-58, in almost 50 years. The bargaining policy of unions and employers in the industry has been, usually, to wait until negotiations in Coast lumber have been settled, with or without a strike, then to settle for roughly the same percentage increases. Lumber workers, in effect have served as « stalking horses » for pulp and paper workers, who thereby avoid the cost of strikes (though a sufficiently large and protracted strike in logging can lead in time to large layoffs). These differences in the positions of workers in the two groups of industries have been a major factor inhibiting amalgamation of their respective unions.

### *Union Structure and Internal Government*

While they differ strongly on many issues, on one point at least most union and management spokesmen seem to be in agreement it is that one of the major problems of collective bargaining, and of industrial relations generally, in B.C. Coast lumber, lies in the constitution, organizational structure and internal institutional political problems of the union that has exclusive jurisdiction in the industry, namely, the International Woodworkers of America, or I.W.A. If one could sum up the situation in one sentence, it is this : The union is too democratic in structure and procedures to function effectively in a multi-employer bargaining system, in an industry that is becoming increasingly centralized in its operations. As one prominent union official puts it :

« There is intolerable tension in the union between being democratic and being effective. There is a staggering variety of problems at both the local and regional levels, that the union is simply not equipped to handle effectively »<sup>11</sup>.

His counterpart in the employer association, Forest Industrial Relations, states it simply as follows :

« The main union leaders are too busy politicising, mending their fences and trying to secure their positions with the membership, to do the sort of job that they are supposed to be doing ».

The constitution of the I.W.A., to begin with, assures a high degree of autonomy to its subsidiary bodies. Basically, the main « districts » of the union – as the major administrative units – have a high degree of

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<sup>11</sup> Field notes and interviews.

autonomy in relation to the International Executive. This applies particularly to British Columbia which, as District No. 1, is by far the largest in the union, in terms both of geographical area and total membership. Unlike most Canadian branches of international unions, for instance, the elected District Executive appoints the International Representatives and other full-time staff for the District, whose salaries are paid by the International. The positions of the elected District Executive members, however, suffer a degree of political insecurity that is felt equally by the appointed staff members.

Within British Columbia, in turn, and particularly in the Coast lumber sector, there is a high degree of autonomy of the major locals in relation to the District Executive. The (extreme) degree to which this has developed can be attributed to a variety of factors : the constitution of the I.W.A. ; government policies regarding certification and decision – making by union locals ; the structure of the industry, and the division of labour this has created ; and the special traditions, ideologies and attitudes of various major occupational groups in the industry's labour force.

The Coastal « sub-district » of the I. W. A. consists mainly of a few large locals and several smaller ones. On the mainland, loggers « Local » No 171 with some 6,000 members, extends in jurisdiction from the U. S. border to the Arctic Circle (i. e. in the Yukon territory). There has been a long tradition, among loggers in this and other areas of the Coast, of a radical democratic ideology and suspicion of central authority, particularly where, as in the I.W.A. representatives of sawmill and other woodworkers tend to dominate the top executive positions. This attitude is partly a matter of « craft pride » of the primary workers as expressed in contempt for the « inside » processing workers. It is broadly similar to that of miners in relation to smelting and refining employees in the metals industry – a major factor accounting for the difficulties that the United Steelworkers of America faced in their long-drawn-out and exceedingly expensive campaign to dislodge and absorb the International Union of Mine Mill and Smelter Workers.

The largest local of the I.W.A. on the B.C. Coast is No. 1-217, comprised mainly of sawmill and related woodworkers in Vancouver. The President and other executives of this organization with the support of a few other locals, have been more radically oriented in ideology and policy. They have expressed strong opposition to the District Executive on various issues, and have run as opposition candidates in several elections for District Executive board positions.

Some large I.W.A. locals on Vancouver Island include both logging and sawmill workers, while other smaller ones are more specialized in membership.

The I.W.A. in British Columbia, in brief, comprises for the most part a few large local unions with strong and outspoken leaders, and a number of smaller, more compliant ones. This structure in itself tends to generate intense factionalism and struggles for power to control policy at the District level.

Factionalism and internal political conflict tend to be further intensified by ideological differences, among prominent union leaders and rank-and-file alike. The majority of logging, sawmill and related woodworkers on the Coast comprise a relatively well-paid group. A large minority, possibly a majority, could be classed as politically neutral or conservative. At any rate in a number of the more important lumber centers of the Province, in both Coast and Interior, the Social Credit Party has continued enjoy a majority of votes for many years. A sizeable minority, however, represented by a number of outspoken and influential local union leaders, including those of the largest local, No. 1-217 of Vancouver, express ideologies that are, to varying degrees, to the left of the New Democratic Party (with which most members of the District Executive tend to be identified). These derive from a long tradition of radicalism among lumber workers, particularly loggers in British Columbia. It dates back to the organizational activities of the Industrial Workers of the World, or I.W.W., prior to and during World War I; the One Big Union, or O.B.U. in the immediate postwar years; and, during the 1930's, the Workers Unity League of the Communist Party.

The origins of the I.W.A. lay with the latter. During the mid-1930's, lumber workers in the Pacific Northwest, including British Columbia, were put under the jurisdiction of the Carpenters' Union of the A.F.L., in a distinctly second-class status. Dissatisfaction with this state of affairs led to a breakway movement in 1937, under the leadership of Communist organizers, to form a separate industrial-type union of lumber workers who would be independent of the carpenters. When the C.I.O. was expelled from the A.F.L. in 1938 and reorganized as the Congress of Industrial Organizations, the new lumberworkers' organization, under its present name, the International Woodworkers of America, became one of its first affiliates. Its first International President was Harold Pritchett, of British Columbia, an avowed Communist.



After World War II there was a concerted campaign within the C.I.O. to dislodge *Communists from executive positions in its major affiliates*. Pritchett was defeated as President of the I.W.A. in the mid-1940's but he and his allies managed to retain control of the British Columbia district until 1949. In that year the International Executive of the I.W.A., with the assistance of the Canadian Congress of Labour, or C.C.L. (Canadian counterpart of the C.I.O.) « moved in on » the B.C. District to remove the Communist leadership from control. Pritchett and his allies on the B.C. District Executive, seeing the « hand writing on the wall », attempted to forestall this campaign by separating the B.C. District from the I.W.A. and reorganizing it as a new, autonomous organization called the Canadian Woodworkers Industrial Union, or C.W.I.U. The new organization, while having a substantial minority of adherents, failed in its efforts to gain certification from the Provincial government and recognition from the major employers in B.C. It soon declined and disappeared.

These *struggles of the left-wing minority to retain control of the union*, while unsuccessful, have nonetheless left a strong residue of ideological and policy differences and factional divisions within the organization that are still all-too-evident today. The internecine conflicts of the I.W.A. are such that the union cannot function with full effectiveness in the negotiation and administration of industry-wide collective bargaining agreements. In the face of growing centralization and integration from the employer side, as described earlier, the union remains divided and decentralized.

This atmosphere creates numerous problems for the union, not least among which is a « crisis of leadership », a « hemorrhage of ability », a « brain drain », or however one may describe the situation. At any rate, the fact is that more than a half dozen of the more able union leaders at the district and some local executive levels have left the I.W.A. to take better-paid and more secure executive jobs with management, government and in one case, the Canadian Labour Congress. An unknown number of other, very promising younger officials of undoubted ability (several of whom are known personally to this writer) have been discouraged from running for office in view of the apparently turbulent and uncertain affairs of the union.

#### *Employers and Their Association*

It is a safe generalization to state that some of the most enlightened and public-spirited citizens of British Columbia are top executives of the Coast lumber industry. But it is equally safe to state that B.C. lumber

executives also include within their ranks some of the most arrogant and reactionary employers, whose philosophies are reminiscent of the more prominent « Robber Barons » of the United States during the latter 19th century. This is to be excepted to some degree, of course, in an industry that has had a long tradition of exploitation of labour and resources, and corruption of public officials at all levels, in the course of its evolution. (One top official of a leading corporation in the industry has never been known to have attended any joint labour-management conference, symposium or seminar, much less any sort of informal social occasion that might serve to facilitate better communication between union and management). It is perhaps a safe generalization to say that most senior management personnel in the industry, particularly a number in the largest firms, are essentially anti-union in philosophy. That is to say, they view the union as an essentially « alien » entity that can play no positive role in the operations of the industry. They feel that it infringes on management's « prerogatives » and inhibits its efficiency, and therefore must be curbed and fought, by force of law as well as by industry's bargaining-power.

This is not to say that there is a really effective « united front » of Coast lumber industry firms against the union. While business spokesmen do not « wash their dirty linen in public » and air their differences as openly as do unions, on a number of issues over the past several years it has been apparent that there have been strong conflicts of viewpoint within the ranks of the employers, including the six or seven largest firms. But when the « chips are down » the views of the leading concern – MacMillan Bloedel and Powell River – a conglomerate capitalized at more than \$700 million dollars – tend to prevail, as many smaller logging and sawmilling operations depend upon this giant concern for their survival.

Understandably, in this sort of industrial structure, Forest Industrial Relations, the association that negotiates with the I.W.A. in multi-employer bargaining on a regional scale, has very limited, if any, real autonomy or control over the policies of its member firms – particularly the larger ones – and thus, in the final analysis, it has limited effectiveness as a « bargaining agent ».

#### *Provincial Government Labour Relations Policy*

Provincial government policy in British Columbia, as regards the Coast lumber industry, seems amorphous and contradictory and on balance, favourable to the employers at the expense of the union. On the one hand, as described earlier, the policy of « forest management licences »

encourages concentration of the industry and its resources in the hands of a few large integrated concerns. The requirements for union certification and collective bargaining, on the other hand, militate against effective « industry-wide » collective bargaining. Under the terms of the Labour Relations of 1954, which was superseded by the Mediation Commission Act of 1969, the regional organization or « district » of the I.W.A. has no legal status as such. Certification of « appropriate bargaining units » applies only to local unions and local companies, or their plants. This applies likewise to legally required « strike votes », as to acceptance or rejection of a conciliator or conciliation board's recommendations. Thus, even if an overwhelming majority of the industry's workers as a whole rejected a conciliation award, if a majority of a particular company's employees (or plant of that company) voted otherwise, workers in that particular company, or plant, could not legally join the strike. Negotiations between the coastal subdivision of the I.W.A. and F.R.A. therefore, are designed to arrive at what might be called a « memorandum of agreement » setting out mutually acceptable wage rates, hours of work, etc., the terms of which have to be ratified by the employees and managements of individual companies or plants thereof (whichever are defined as « appropriate bargaining agents » under prevailing legislation). Whether or not this system constitutes « industry-wide bargaining » is an open question. But certainly it tends to undermine any sort of orderly bargaining on a regional scale. For it tends to vest the main powers of decision-making, particularly as regards strike or lockout action, in the hands of the main employer firms and union locals. Thus it tends to exacerbate internecine divisions and conflicts within the ranks of union and employer organizations alike.

How is one to explain government policy of this apparently inconsistent kind? The only explanation that makes sense to this writer is political. The continued success of the Social Credit (or Socred) government of British Columbia, of remaining in power in the face of the strong opposition of the N.D.P., can be explained in large part by its ability to present itself to the business and propertied community as a « bulwark against socialism ».

The N.D.P. has had to depend upon organized labour as its main base for organized popular support. A strong, well organized and coordinated lumber workers' union firmly established in the province's major resource-based industry, would provide a major source of support and a rallying point, potentially, for an organized labour movement that would give the N.D.P. a firm foundation. A large but disorganized union

that accounts for a disproportionate share of the province's labour unrest, however, is a political asset to the Socreds. They can present themselves to business and the voting public as the only force capable of saving the Province from domination by an « irresponsible » labour movement.

The Provincial Government has initiated some new and controversial measures in recent years. The Mediation Commission Act of January, 1969, among other provisions, gives the Cabinet the power in effect to impose compulsory arbitration in any labour dispute that is deemed to constitute a serious threat to the public welfare. Numerous observers speculate that an industry-wide strike in lumber would present the Provincial Government with its first real test under the new act.

A new piece of proposed legislation, Bill 22, was introduced into the Legislature in the Spring of 1970. It provides for certification of employer associations, on the same basis as unions, giving them exclusive authority to bargain on behalf of their members. Several union spokesmen have expressed the fear that this bill would give an employers association in an industry such as Coast lumber more centralized authority and coordination of strategy than the union has been able to achieve.

#### *Union-Employer Relationships and the « Climate » of Bargaining*

Labour-management relations in the Coast lumber industry, as the analysis so far suggest, are characterized by a considerable degree of mutual suspicion and hostility. These attitudes are exacerbated, as noted, by the basic instability of the industry and the insecurity it generates, as well as by certain government policies described.

A further complication arises from the deplorable lack of adequate statistical and other economic research data about the lumber industry. It is a fact that reliable data of these kinds are far less available for lumber – by far the most important industry in the Province – than for other industries of much lesser importance, such as mining, fishing and secondary manufacturing. This generalization applies alike to Federal and Provincial Government statistics. There is literally no way of getting really accurate, up-to-date estimates of the total number of logging and sawmill operations and of total employment, from which to derive accurate calculations of such important items as changes in productivity, hourly earnings, unit labour and capital costs, and the like.

These lacunae, together with the numerous other uncertainties that beset the industry, put collective bargaining in something of a vacuum. The union delegation presents its brief justifying its wage demands on the

basis largely of D.B.G. statistics on productivity, hourly earnings, changes in the labour and capital shares of the industry's total revenue, and so on. Spokesmen of the employer association challenge the accuracy of D.B.G. estimates but are unable to present reliable estimates of their own because, in this highly competitive industry, the 160-odd memberfirms – and particularly the larger ones – are unwilling to provide data that they deem « confidential ». So the bargaining process soon develops into a straight power-play. The Provincial Government, by virtue of its control over vital forestry resources, and its unusual « residual powers » under prevailing labour disputes legislation, is occasionally able, in effect, to impose a settlement on the parties.

### Conclusion – an Overview

Multi-employer bargaining on a regional scale has been in operation in the Coast lumber industry of B.C. for almost three decades, as noted earlier. Over the past twenty years in particular the industry has undergone almost revolutionary changes in technology, structure and organization, as well as in government policies and regulations under which it has to operate. Among the more important of these changes have been the substitution of logging by truck rather than by railway ; the rapid mechanization or « automatization » of logging and sawmill operations, with the consequent great increases in capital investment per worker, and in output per man hour, and the declining volume of employment in both branches of the industry ; and finally, the growing concentration and integration of the industry. To an increasing degree, forestry resources and capital in the Coast lumber industry have come under the control of a few large corporate enterprises, and these tend increasingly, as noted, to use the raw material for the production of pulp and paper, rayon and other synthetics, rather than lumber.

It is difficult, however, to discern any significant impact of such major developments on the organizational structure, ideology or policies of the main union, the I.W.A. ; on employer attitudes or policies vis-à-vis the union ; on the « climate » or « pattern » of collective bargaining ; or on the frequency or incidence of conflict in the industry.

How is one to assess the « efficiency » of a collective bargaining relationship in any particular industry ? Technical efficiency in production, low costs, high profits, and ability to survive and grow in highly competitive markets – all of which a number of major firms in the Coast

lumber of B. C. have achieved – are presumably unsuitable or insufficient criteria. For, under certain assumptions (and these are probably in line with the beliefs of most employers in the industry) such advantages could have been achieved more effectively if, by some sort of magic, there had been no unions and no protracted and tiresome collective bargaining negotiations – not to mention strikes – to contend with.

One acceptable but overly-simple criterion of « efficiency » in collective bargaining might be the ability of a union to protect and enhance the interests of its members, as measured by the achievement of such things as greater job security, and wage and fringe benefit increases in line with those of workers in comparable industries, without incurring disproportionate losses from strikes and lockouts. The achievement of such gains would require, not only strength and cohesiveness from the union side, but also flexibility on the employer side.

Another broader and more ambiguous measure of collective bargaining efficiency would be the achievement of a stable and rational means of communication between labour and management, and the formulation of means by which the major labour problems of an industry could be settled, if not entirely solved, without an inordinate amount of conflict and economic loss to workers, employers, and the public generally.

In terms of either of these latter two criteria, multi-employer bargaining in the B. C. Coast lumber industry would have to be deemed inefficient. In brief, it appears to present a striking example of « cultural lag » or obsolescence in its industrial relations « system » in terms of the context in which it has to carry on its operations.

*One can only speculate about the reasons for this failure of adjustment. Lester and Robie and some other authors quoted at the beginning of this paper had perhaps overly-optimistic views regarding the virtues of multi-employer bargaining on an industry-wide scale. Their conclusions seem to have been based largely upon a sort of « model » derived from a few industries having the following characteristics, among others :*

- 1) Employers represented in the bargaining in the aggregate account for a major share of the market for the products (s) they represent, and thus have a considerable degree of control over prices. The costs of higher wages and fringe benefits can thus be covered, to a large degree, by price increases and/or by higher productivity.

- 2) There is relative price stability in the industry, and favourable prospects for increasing sales, output and employment in the longrun ;

3) The union or unions involved are relatively centralized in governmental structure, and relatively free from internal factionalism and jurisdictional rivalry from competing organizations ; and

4) There is a relatively high degree of autonomy, in a sense, in the terms of reference under which collective bargaining can be carried on if the union (s) and employers involved are not *too* subject to « orbits of coercive comparison » with wages and conditions of work in other similar, comparable, or closely related industries. Thus considerable flexibility is possible for both parties in the bargaining process.

In an industry in which one or more of these conditions is lacking – and in the lumber industry of the British Columbia Coast *all of them* apparently are – multi-employer bargaining on an industry-wide scale does *not* achieve results which most observers would deem to be « efficient » or « desirable ».

## LA NÉGOCIATION MULTI-EMPLOYEUR : L'EXPLOITATION FORESTIÈRE EN COLOMBIE-BRITANNIQUE

Les termes centralisation et concentration en négociation collective réfèrent habituellement au concept de la négociation multi-employeur ou par branche d'industrie sur une échelle régionale ou nationale. Partant de ces concepts, nous maintenons que la négociation multi-employeur dans une industrie dite primaire est, du moins en certaines circonstances entièrement différente en nature et en conséquences de la négociation de même type dans d'autres secteurs et contextes.

### L'INDUSTRIE DES MATÉRIAUX DE CONSTRUCTION

La fréquence des conflits industriels caractérise cette industrie de la Colombie-Britannique malgré le fait que la négociation multi-employeur y existe sur une base régionale depuis plus de vingt-cinq ans. Non seulement y compte-t-on un bon nombre de grèves légales, mais également une profusion de grèves sauvages encore plus grandes en nombre.

### LES CAUSES DU CONFLIT

Les causes du conflit sont nombreuses et complexes et souvent interdépendantes. Voici celles qui nous apparaissent les plus importantes :

#### 1. L'hypothèse de Kerr-Seigel

Ces deux auteurs attribuent la grande fréquence de grève dans cette industrie à des facteurs tels la grande proportion d'employés temporaires, l'isolation géographique et sociale des travailleurs et la difficulté d'avoir une vie de famille stable.

## 2. Les frontières industrielles, la structure et la juridiction syndicales

La difficulté de définir l'industrie mène à de sérieux problèmes d'évaluation des tâches, de négociation de taux de salaires, de structure et de juridiction syndicale, surtout lorsqu'on considère les différences entre l'industrie côtière des matériaux de construction et celle du centre de la province.

3. L'instabilité propre de cette industrie due à des fluctuations cycliques et saisonnières.
4. Les comparaisons avec des industries de la construction et de la pulpe et du papier affectent nettement les travailleurs de l'industrie des matériaux de construction.
5. La structure syndicale et le gouvernement interne de l'International Woodworkers of America sont problématiques.
6. L'attitude anti-syndicale des employeurs et de leur association.
7. L'attitude amorphe, contradictoire et pro-patronale de la politique de relations du travail du gouvernement provincial.
8. L'hostilité dans les relations syndicales, le climat de non confiance dans la négociation collective et le manque de données statistiques et économiques.

## CONCLUSION

La série de changements technologiques à l'intérieur de l'industrie des matériaux de construction en Colombie-Britannique depuis vingt-cinq ans n'a pas provoqué de modifications majeures ni du côté syndical, ni du côté patronal en ce qui a trait aux attitudes de l'un vis-à-vis l'autre. Alors comment évaluer l'efficacité de la négociation collective dans cette industrie ? Serait-ce par l'efficacité technique, par les gains syndicaux, par les moyens de communication entre les partis ? Si l'on ne considère que les deux derniers critères, il semble de toute évidence que la négociation multi-employeur dans cette industrie a été inefficace en Colombie-Britannique.

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