

## Article

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# Impact of Ethnic differences in the work force in Industrial Relations: a case study

Hem C. Jain

*At the light of the New Brunswick International Paper Company's experience, the author explores the effect of local conditions and of external economic and organizational factors on the process of accomodation. He also examines the degree to which all the parties involved are willing to reach accomodation in handling ethnic tension at plant level in this mill. An attempt is finally made to indicate the extent to which the finding of this case study might be applicable to other mills.*

This article presents a case study of labour-relation in a newsprint mill in the Atlantic Region of Canada. The purpose is to explore the effect of local conditions (ethnic differences in the work force, community dependence on the mill) and of external economic and organizational factors on the process of accommodation (Harbison and Coleman model : « Armed Truce, Working Harmony and Co-operation » <sup>(1)</sup> Further this article examines the degree to which all the parties involved are willing to reach accomodation in handling ethnic tensions at plant level in this mill. An attempt is made to indicate the extent to which the findings of this case study might be applicable to other mills.

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<sup>(1)</sup> Harbison - Coleman classify union-management relations into three categories : Armed Truce, Working Harmony, and Co-operation. They further state that the interplay of environmental conditions (economic and organizational) and the attitudes of the leaders of both parties are essential elements in the process of accommodation.

Several industrial sociologists, including such well-known authorities as Whyte and Dubin, have been concerned with the impact of ethnic and cultural factors on employer-employee relations in a plant. In his writings, Whyte argues that in the late nineteenth and early twentieth centuries U.S. managements sought to mix the ethnic backgrounds of workers at any given work site on the assumption that people from different cultures would have trouble in communicating with each other and would be sufficiently suspicious of each other so they would have difficulties in developing any common front against management. He concludes by saying that it is significant that some of the first strong unions were marked by homogeneity of ethnic background. <sup>(2)</sup>

In Canada, the relationship which exists between the English-speaking management and the French-speaking rank and file members has been a subject of several sociological studies. Often Canadians of French origin complain that their lower position in the industrial structure is the result of their exploitation by people of British Origin.

A French Canadian writer, Monique Lortie, argues that the English owner-manager established plants in areas which were predominantly French-speaking because he could get labour which was « cheap, docile, demanding little because it did not know what to demand. He did not entrust responsibilities to these people ».

In conclusion, she says, « In brief, a majority of French language and culture is invaded by an English-speaking minority which gives it work, but at the same time keeps it in subordinate positions. Only a small number of French Canadians can rival the English, and it seems that these are French Canadian who are anglicized, that is to say who have adopted this impersonal attitude in business » <sup>(3)</sup> It is debatable whether the criticism of Monique Lortie is applicable to the English owner-managers who established the pulp and paper mills in the northern part of New Brunswick, but it does suggest that opposing value systems and attitudes can create serious frictions between workers and management of different ethnic backgrounds. The impact of ethnic differences in the work force on labour-management relations in a newsprint mill is analyzed in the following case study.

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<sup>(2)</sup> William F. Whyte, *Men At Work* (Homewood, Illinois, The Dorsey Press and Richard Irwin 1961) pp. 540-541.

<sup>(3)</sup> Mason Wade, Editor, *Canadian Dualism*, (Toronto : University of Toronto Press, 1960) pp. 138.

## **New Brunswick International Paper Company A Case Study <sup>(4)</sup>**

### **BACKGROUND INFORMATION :**

The New Brunswick International Paper Company is a subsidiary of the Canadian International Paper Company, which in turn is a subsidiary of the International Paper Company (U.S.). The New Brunswick International Paper Company produces newsprint for sale and is located at Dalhousie, a small town in the Province of New Brunswick. Geographically speaking, New Brunswick is one of the four provinces of the Atlantic Region. The economy of the region as a whole is very depressed. In the post war years pulp and paper industry has been the leading industry among the manufacturing industries in the Atlantic Region. Other major industries in the region are in the primary sector, fishing, logging and mining, some of which are highly seasonal. The unemployment rate in the Atlantic Region is higher, and the personal income per capita is lower than is their counterparts in other regions of Canada. As a result of low income and a lesser degree of economic development, it is usually the young, trained, more vigorous and ambitious natives who leave the Atlantic Region. Demographic studies show that the emigration from the rural labour surplus areas has been relatively limited.

The majority of the pulp and paper mills are located in rural labour surplus areas where most of the workers are semi skilled and unskilled. They are attached to their families and have close community ties. They are happier in leading a calm and peaceful life than subjecting themselves to the noise, hustle and bustle of the larger cities in other parts of Canada. <sup>(5)</sup> In many communities where pulp and paper mills are located, the majority of the people in the community depend directly or indirectly for their livelihood on the operation of the mill.

### **RELATIONSHIP BETWEEN MANAGEMENT AND PEOPLE IN THE COMMUNITY IN DALHOUSIE MILL TOWN :**

Unlike the main characteristic of many company towns, the International Paper Company made no effort to control or interfere in town

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<sup>(4)</sup> Most of the information in this case study comes from field research including interviews with approximately twenty knowledgeable persons of English and French origin, Union and Management officials, church leaders, Mayor and the County Attorney.

<sup>(5)</sup> J. F. Graham, *Fiscal Adjustment and Economic Development in Nova Scotia* (Toronto : University of Toronto Press, 1963) p. 145.

administration. Cynics claim that the International Paper Company located the mill at Dalhousie because it got the best possible tax agreement and concessions from the town administration.

After this agreement was signed and the mill started production, the population of Dalhousie almost doubled. The town had to build sewers, schools, roads and streets which required substantial outlays of money. Taxes had to be raised. While the taxes for people living in the community were going up the taxes for the supervisors and other skilled craftsmen living in the company subsidized houses remained the same as under the agreement.

People in the community resented this fact and felt that the company was hiding under the cover of tax agreements and was not paying its fair share of the taxes. The management of the mill was fully aware of the financial crisis and voluntarily increased its contribution in the form of gifts. But the voluntary contribution was not enough and the town council felt that the total assessment value of the company property must be increased substantially. Since five out of eight members of the town council were employed at the mill they were highly reluctant to stand up to management and ask for a higher assessment.

It should be remembered here that these were depression years. In the early 1930's the workers were not organized into unions and were dependent almost exclusively for their livelihood on the mill. They were reluctant to protest openly or organize demonstrations in favor of a higher assessment value. This might antagonize management and provide the company with an excuse for their dismissal. The only recourse open to the county and town officials was to wait till the more prosperous time arrived and then take the matter to the courts and to the Provincial Legislative Assembly. It was not until 1948 that a major amendment to the tax agreement was enacted by the provincial assembly. The assessment was increased from \$250,000 to \$1,581,154. In 1961, by another amendment this amount was further raised to \$5,400,000.

In recent years as a result of these increased assessments, the resentment built up against the company in early years among the residents of Dalhousie has more or less disappeared.

Management has become equally cognizant of the influence of the clergy and other forces in the community. The company wanted to operate the Dalhousie mill on a seven day basis. Knowing that the clergy was against Sunday operations the mill management approached the clergy

in advance and sought their co-operation. The management explained to them the market conditions and why competition made it necessary for them to operate the mill for seven days. The company requested the priests to refrain from opposing this new move. A management spokesman, stressing the power and influence of the clergy over the residents, put it this way, « One sermon could have upset our apply cart ».

#### ATTITUDES OF MANAGEMENT TOWARD UNIONS :

In the Dalhousie paper mill the company was opposed to union organization from the beginning. After the collapse of the strike of the International Paper Company mills in the U.S.A. in 1926, the company had maintained its strong opposition to unions and their attempts to organize its mills in Canada and advocated an open shop policy.

In 1933, management instituted a plant council in each mill. This was more or less a company union, controlled by management. The International Office of International Brotherhood of Pulp, Sulphite and Paper Mill Workers union in New York strongly urged the locals of all I.P. mills to boycott such plant councils. In pursuance of this policy the locals expelled the members who violated the directives from the international office.

Because of management's opposition, union meetings were held in private homes and the proceedings were kept secret. However, shortly thereafter the union changed its tactics and instead of boycotting the plant council urged its members to infiltrate and occupy all key positions in the plant council.

The following resolution passed on January 14, 1934 by Local 146 Dalhousie, drawn from the minutes of the union, illustrates the union infiltration policy.

After due discussion and deliberation it was moved by Brother Craig and seconded by Brother White that the motion passed on September 11, 1933 forbidding union members to participate in any way in plant council affairs be rescinded. This was passed by unanimous vote. It was moved by Brother Colombe that local no. 146 endeavour to place union men on the plant council and to give these men their support.

The company management became weary of such tactics and felt that the plant council was ineffective in keeping the unions out. In 1937 the company finally abolished the plant councils and signed an agreement with the unions granting the union shop and other benefits.

As far as the relations between unions and management during the war years are concerned, there were no serious problems because wages and working conditions were regulated by the Government. However, this period provided the unions with a breathing spell after a severe depression and enabled them to consolidate their position in the mill. The experience gained by unions helped them to unify workers behind their leaders. In later years, the leaders (of French origin) became highly vocal, militant and aggressive.

At present, the following eight unions represent the craft, semi-skilled, unskilled and the office employees. The first six international unions form a central committee for bargaining purposes.

1. International Brotherhood of Pulp, Sulphite and Paper Mill Workers
2. United Paper Makers and Paper Workers
3. International Brotherhood of Electrical Workers
4. International Association of Machinists
5. United Association of Plumbers and Steam Fitters
6. International Union of Operating Engineers
7. International Office Employees Union
8. International Longshoremen Union

The New Brunswick International Paper Company is a member of the C.I.P. multi-plant group and the terms of settlement for all C.I.P. mills in Eastern Canada are negotiated at the Head Office in Montreal. The company has had a record of industrial peace and a stable relationship with unions.

### **Ethnic Characteristics**

According to the 1961 census, the people of French origin in Dalhousie were in the majority, with 62.7 percent of the total population, as compared to the British with 34.2 percent. The labour force in the mill town could be divided into four categories :

- |                                       |                                  |
|---------------------------------------|----------------------------------|
| 1. Semi-skilled and unskilled workers | 3. Craftsmen and skilled workers |
| 2. Clerical staff                     | 4. Mill management               |

The workers in the first category are generally French Catholics and the second category, that is, the clerical staff, consists of both ethnic groups. The majority in the last two categories are of British origin, largely Protestants. Outside the mill there is little social contact between the first two and the last two groups. Historically speaking, the Canadian International Paper Company was founded, owned and managed by English-speaking people. They had the capital, technical know-how and managerial ability. Prior to the Second World War, practically all top management, middle management and technical and staff personnel in the Dalhousie mill were English-speaking Protestants. The typical attitude of the supervisory group toward the rank and file members, who were predominantly French Catholics, was one of indifference based upon the belief that they (the supervisors) were superior, and that there was not much in common between the two ethnic groups.

### **Conflict Cases in the Post War Years <sup>(6)</sup>**

The impact of unions on management policies can best be illustrated by the following cases which precipitated union management conflict due to what appears to be ethnic favouritism. <sup>(7)</sup>

The first case grew out of the alleged favouritism showed by a Production Department superintendent, Mr. « X » — an Anglo-Saxon Protestant and a top official of the Masonic Lodge, in hiring a worker Mr. « Y », also an Anglo-Saxon Protestant, sometime in 1956. At that time, 35 union members, who had years of seniority in the plant behind them, were out of work. The president of Local 146, Pulp, Sulphite and Paper Mill Workers Union, who was a French Catholic, protested to the superintendent Mr. « X » about the hiring of Mr. « Y » over the heads of 35 union members with long seniority. Mr. « X » promised to dismiss Mr. « Y » and hire a union man in his place. However, after a week or so Mr. « Y » was hired again. This time the union brought the matter to the attention of the mill manager. Mr. « X » argued that Mr. « Y » had the necessary qualifications and educational background which would be useful for the future. The union contended that there were plenty of men

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<sup>(6)</sup> Most of the information on Conflict Cases was collected from the files of the Local 146, Pulp, Sulphite and Paper Mill Workers.

<sup>(7)</sup> Several cases of favouritism in hiring and promotion based on ethnic grounds which occurred prior to the Second World War were reported to this writer. Only two recent ones were selected because they could be supported by documentary evidence. At the suggestions of union and management, names have been disguised.



among the 35 on the separate list who were equally, if not better, educated. The union also claimed that M. « Y » had applied at 11:00 a.m. and was employed at 1:00 p.m. the same day. The union further argued that the superintendent had completely disregarded the hiring policies and procedures as agreed upon between union and management. The mill manager decided in favour of the union and ordered that a union member be hired in place of Mr. « Y ».

To the union's surprise and dismay, after one week Mr. « Y » was hired again as a member of the construction crew while there were many union members available for work. The union representatives interviewed the personnel officer and all supervisory personnel, from the master mechanic down to the sub-foreman, in order to find out who had hired Mr. « Y » this time. Each one of them shrugged his shoulders and suggested that he had nothing to do with it and pleaded ignorance as to the person responsible for employing Mr. « Y ». The union brought the matter again to the attention of the mill manager. The mill manager ordered Mr. « Y »'s dismissal and he was laid off at the end of the month. However, he was kept on Sunday work by another department foreman. The union felt that preference over union men was shown again. Seven months later, Mr. « Y » was employed in the repair department as a helper while a long list of union men with years of mill seniority were idle. On top of this, the same month the company was contemplating a layoff of an additional 55 men with mill seniority ranging from 2 to 15 years. However, in this particular instance, Local 146, Pulp, Sulphite and Paper Mill Workers' union had no recourse, because all workers in the repair department were under the jurisdiction of another union. This union accepted Mr. « Y » as a member. This created tension between these two unions in the mill.

Generally speaking, a central committee from the six international unions represents all the employees, except office workers, of the mill at the bargaining table. The members of Local 146, Pulp, Sulphite and Paper Mill Workers were so much offended by the action of another union, in accepting Mr. « Y » as a member, that they decided to drop out of the central committee. They sent a letter to all other unions in the plant giving the reasons for their decision.<sup>(9)</sup> Local 146 of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers not only dropped

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<sup>(9)</sup> Letter was copied from the files of the Local 146, Pulp, Sulphite, and Paper Mill Workers.

out of the union Central Committee but also requested their international vice-president, Mr. Harry Lorrain, to take up the « Y Case » with the officers of the head office of the company in Montreal, and to press charges of favouritism and discrimination against the supervisors in the Dalhousie mill. The management in the head office promised to investigate the matter. Later on, without any explanation, Mr. « Y » disappeared from the scene. Local 146 Pulp, Sulphite and Paper Mill Workers' feelings are reflected in the following excerpts from the original letters written to the International Vice-president on January 24, 1957, and March 9, 1957 :

Now, as to the favouritism, we feel that if the company could have sat down and discussed this on a basis that this was an issue which should have been clarified for the benefit of both the company and the union, as where feeling of this nature exists it is not good for the working relations of both company and union. Their attitude was to deny anything that might prove this, as similar cases have taken place in the past. The procedure in the handling of this man and the manner in which he was hired especially when the Supt. claims he did not know him but we proved that he specifically asked for him proves that there is outside influence which we have been quite aware of in the past and are fed up. Men at our last meeting were very much concerned over the handling of this case and felt that Montreal officials along with the International Officers should come here to settle this question to the extent that they would even go as far as to take a strike vote. (Letter — January 24, 1957) <sup>(9)</sup>

This writer interviewed the President of Local 146 (1956-1957) and asked him to clarify the meaning of the phrase, « outside influence which we have been quite aware of in the past and are fed-up ». He pointed out that by « outside influence » he meant the Masonic Lodge influence. Mr. « Y » was an Anglo-Saxon Protestant. Mr. « X », the superintendent who hired him, was not only an Anglo-Saxon Protestant but one of the top officials of the Masonic Lodge. When asked why he did not mention the Masonic Lodge by name in his letter to the vice-president, the president of the local union said that he could not specifically mention the lodge by name, because some of the union members were members of the lodge and the union did not wish to antagonize them. It should be pointed out here that not all the members of the Local 146 were French-Catholics. The ratio was roughly 60 percent of French origin and

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<sup>(9)</sup> *Ibid.*

40 percent of English ancestry, and there seemed to be no tension or disagreement between the two ethnic groups represented in the union on this issue.

The sentiments expressed by union officials were also shared by many old workers and clergymen in Dalhousie. One French-Canadian worker expressed it his way :

Anglo-Saxons had the necessary qualifications. They helped their friends who belonged to the same clubs and lodges. The Masonic Lodge influence was predominant in promotion. Members of the lodge, all Anglo-Saxon protestants, were taking the lodge influence to the plant. Basically English-speaking people were not against us, it was not a case of racial discrimination as such; they were merely helping their friends and amongst the workers there was a feeling that they were being discriminated against and that their chances of getting ahead were not very high because they did not belong to the same clubs.

A French-speaking priest who has been living in Dalhousie for a long time had this to say :

It is a fact that the Masonic Lodge influence was predominant in promotion. The general manager will never stand for such a thing but the individual foremen discriminated. In some cases catholics became members of the Anglo-Saxons protestant lodge and gave up their religion in order to climb up — to become big shots. When there were two candidates — French and English for the same job — (the management) were likely to favor the English.

The second case involved the hiring of 27 girls, all English-speaking, for clerical jobs by the mill agent. Mr. « A<sub>i</sub> », the mill agent, an English-speaking Protestant, hired the 27 girls during a period of seven years. All these girls were English-speaking. Except three, all were Protestants, none being of French origin. Mr. « A » claimed that the commercial education at the French Local Catholic college was not of a high quality, and, therefore, he could not hire girls of French origin. The union spokesman told this writer that he checked the marks obtained by Catholic girls of French origin, who had graduated from the same school the same year, and he found that many of the Catholic applicants of French origin had higher marks than those hired. The local union felt that this was a clear case of discrimination on ethnic grounds and brought this matter to the attention of the leaders of the corporate headquarters and of the

international unions in Montreal. The Vice-president of the I.B.P.S.P. M.W. suggested at the bargaining session that the following clause be incorporated in the new agreement :

*Group 5. Local Adjustments*

Item 2 : That where any union feels that discrimination exists in any department, the company will agree to a joint study of the case and corrective measures taken if necessary.

Disposition : Referred to the post-conference discussion with the Dalhousie delegation.<sup>(10)</sup>

Management at the corporate headquarters promised to investigate the matter and took corrective measures later on. A management spokesman at the Dalhousie mill said that :

The two so-called « conflict cases » described did occur, however, I would like to say that these are only two incidents in the long history of union-management dealings over more than twenty-five years, in which literally hundreds of grievances involving everything from wage rates to working conditions have been satisfactorily resolved. Though serious instances of union-management disagreement, they should not be magnified out of proportion, nor allowed to give the impression that they were typical of all union-management relations at the time.

In counteracting the charges of favouritism on ethnic grounds by supervisory personnel, the local management maintained that people belonging to the same clubs or having identical hobbies or interests, have always had a tendency to favour their own. This had nothing to do with discrimination on ethnic grounds.

Management may correctly claim that it did not fire workers for trifling or discriminatory reasons and that isolated cases of unfair practices do not provide a basis for generalization. However, the fact remains that some French workers felt they were being subjected to discrimination. Conflicting stories do not necessarily mean that either side is distorting the truth wilfully, rather, that each is telling what it thinks to be the truth from its point of view. As for generalizing from isolated incidents, here again the workers tend to think that the incidents in which they got hurt indicate a general trend, while the company feels that these incidents are only exceptions.

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<sup>(10)</sup> This item was taken from the minutes of union meeting.

On the other hand, the Local of the I.B.P.S.P.M.W., representing the largest number of employees in the mill, insists that these are not isolated incidents and that hundreds of cases of ethnic favouritism and discrimination in hiring and promotion have taken place in the past, but that the union chose to fight over only a few cases. After 1956, no cases of favouritism or discrimination in the mill were reported. In later years there was increasing evidence of willingness to co-operate on both sides. A worker who has been in the employment of the company from its inception made the following statement indicating the existence of harmonious relations between the workers and management in the last decade :

In the last ten years (1956-1966) there has been a change in management's attitude. Mr. Champion, the new mill manager, is liked by everybody. When we lose Mr. Champion, we will lose a father — a real good guy. Outside the mill he can mix with the boys, play poker, console men in trouble. Some workers have the feeling that French Catholics are not getting as high as they ought to. I say they don't have education. Today management does not care about being French Catholic. Now, all in all, it is a good company to work for. It was not like that in earlier days.

Similar sentiments were expressed by other workers interviewed by this writer.

Looking back at the history of union-management relations in the New Brunswick International Paper Company at Dalhousie, it is safe to assume that the protests made by the local union leaders stimulated improvements in the enforcement of management policies and have resulted in just and equitable treatment for workers. However, it is highly debatable whether the pressure brought about by local union leaders on management to take corrective action, in the above cited conflicts cases, alone could have averted the threatened strike. The events described earlier clearly show that both the international union's (I.B.P.S.P.M.W.) vice-president and the industrial relations manager at the head office in Montreal played an important role in handling ethnic tensions at the Dalhousie mill in an intelligent manner. Very likely economic and organizational factors, changes in the attitudes of management and union leaders and the manner in which leaders of both parties have dealt with the problems arising from technological changes also contributed to a « working harmony » type of relationship in the Dalhousie mill. These factors are discussed below :

## Impact of Economic and Organizational Factors

### ECONOMIC PROSPERITY

In 1948, Mr. T. H. Robinson, Manager Industrial Relations, Canadian International Paper Company, in an address « Industrial Relations in the Pulp and Paper Industry » delivered at McGill University, commented on the importance of economic considerations in labour-management relations in these words :

Management in the pulp and paper industry has a keen appreciation of the need to deal fairly and even generously with the employees in order to ensure the continued operations of the mills and the prosperity of the industry . . . It would be unrealistic, of course, not to recognize that heavy investment and the high degree of unionization are possible sources of weakness as well as strength in relations between the companies and the unions. Heavy investment exerts a pressure upon management to agree to conditions that will ensure uninterrupted mill operation. A high degree of unionization gives unions power to squeeze all, and more than the traffic will bear, with very little risk of a work stoppage.

Further elaborating on Management's philosophy he remarked :

The forces that are at work in our free enterprise economy require each company to strive continually to attain the maximum efficiency. The quest for profit is the mainspring which drives management to combine labour and other resources into producing units of ever increasing efficiency. <sup>(11)</sup>

It is evident from the above statements that the growing emphasis on labour management co-operation in the industry was based primarily on economic considerations. The pulp and paper industry in the Atlantic Region consists primarily of three different types of products: newsprint, paperboard and pulp. Generally speaking, the newsprint sector is more prosperous than the pulp and non-newsprint sector. In the post war years, almost every year the profits on dollars of sales for newsprint companies has been higher than the rate of profits for the non-newsprint companies. <sup>(12)</sup>

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<sup>(11)</sup> T. H. Robinson, « Industrial Relations in Pulp and Paper Industry »; An address given at McGill University, 1948. (mimeographed paper)

<sup>(12)</sup> See Financial Post Industrial Survey « Pulp and Paper Industry » 1948-63.

## WAGE LEADERSHIP

During the period 1953-1963, Canadian International Paper Company set a settlement pattern for other large pulp and paper companies in Eastern Canada.<sup>(18)</sup> Since the New Brunswick International Paper Company was a member of the C.I.P. multi-plant group, it paid substantially the same wages and benefits as other company mills situated in Ontario and Quebec. These wages and benefits were the highest in the area. This wage leadership helped in establishing a favourable labour relations climate in the Dalhousie mill.

## TECHNOLOGICAL CHANGES

In 1963 management decided to mechanize the operations of finishing rolls of newsprint in the Dalhousie mill. The entire operation before mechanization was a manually performed operation carried out continuously on three shifts per day employing about seventy-five semi-skilled workers. At present it is a largely mechanical operation carried out in two shifts per day and employs a total of thirty-five to forty machine operators. After the decision was made, the union involved was informed of the impending change four months prior to the target date for the start-up of the installation.

The thirty-five affected employees were placed in a labour pool. From the pool they were drawn as spare workers for all operating departments, provided they were capable of doing the work. Since the mill at present is operating on a continuous basis (7 day operation), all the displaced employees, moved into the labour pool, were easily absorbed. As a result there was no permanent lay-off.

One of the problems faced by union and management leaders arose from the existence of a specific clause with regard to plant-wide seniority in 1963 collective agreement. However, both union and management were willing to modify this written clause in the agreement in order to provide equitable treatment to people affected. « We have found in practice, that employees were not in favour of having the seniority of an employee in the finishing department used to « bump » or have laid off, a junior

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(18) Data supplied by the International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Research Office, Montreal, 1966.

employee in the ground wood department. They feel that each department should take care of its own ». <sup>(14)</sup>

The manner in which both union and management handled the problem posed by technological changes leads this writer to conclude that the attitudes of union and management leaders were conducive to finding a mutually satisfactory solution.

#### CHANGES IN ATTITUDES

Other factors, such as changes in the attitudes of management, which can be inferred by the following statement, made by the former personnel superintendent in this mill, led to over all improvement in labour-management relations in the plant :

It is quite true that the company's and the mill's problem solving methods with union groups improved tremendously. My point is that any improvement in actual boss-subordinate relations or in matters of selection and promotion came as a change in the general climate of management and particularly as a result of attribution — by which I mean natural replacement, through time, of old diehards by young and more objective people, many of them coming in as engineers, for example from outside the area. <sup>(15)</sup>

Furthermore, in the late 1950's economic considerations were still important for management; however, it dawned upon the company that the international unions, having gained economic and political strength, would have to be reckoned with as a power group. To some extent the initiative in industrial relations shifted from management to unions, and management became much concerned with the protection of managerial prerogatives. Management recognized that unions were here to stay and it was in its best interest to develop a reasonable working relationship with them. Mr. T. H. Robinson in a speech in Saint John, New Brunswick, on October 27, 1959, outlined this new management's philosophy of

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<sup>(14)</sup> J. F. Allison, « Automation and Its Impact on Labour Management Relations in the Pulp and Paper Industry in Canada » a panel discussion at the University of New Brunswick, Fredericton, N.B., January, 1965. Most of the facts described in this case were also discussed by this writer with union and management leaders during a personal visit to the mill in August, 1964.

<sup>(15)</sup> Letter from John Windebank, Former Personnel Superintendent, New Brunswick International Paper Company, Quebec City, July 13, 1965.



industrial relations in these words :

Management has control over the conditions of employment which produce the problem-creating frustrations; management can control the channels of communications through which the company policy and practice are conveyed; management can do more than any other agency to get at the basis for grievances; and management can, by its manner of dealing with union officers, create a business-like climate . . . Collective bargaining should be approached by management not on the emotional terms of a conflict but on the basis that it is a business transaction which it is necessary to complete on a reasonable cost basis. <sup>(16)</sup>

Mr. Robinson's suggestions for the thorough approach to grievances, that is, to get at the real source of the problem rather than offer a simple solution, and his recognition of the benefits of satisfactory handling of grievances have gone a long way to improve the labour-management relations in the plants.

#### CHANGE IN UNION ATTITUDES

In the late 1950's a change of attitudes on the part of unions was also very much in evidence. They had obtained institutional protection through the union shop. The two largest unions, International Brotherhood of Pulp, Sulphite and Paper Mill Workers Union, and the United Paper Makers, had worked in close co-operation and had virtually acted as a single union for the purposes of collective bargaining although they had retained their internal autonomy. The acceptance of multi-plant bargaining by unions and the company served as a barrier to rival unions and it standardized wages and other terms and conditions of work in all the mills of the company across Canada. This provided union members with greater security and a feeling of equitable treatment. High level of employment and a continually rising standard of living brought about a significant change in the attitudes of top union leaders. The leaders became less militant, more mature and sophisticated. They developed a high degree of social skill in a dealing with management.

#### Applicability of These Findings to Other Mills

In 1963, there were twelve pulp and paper companies in existence in the Atlantic Region. In nine of these companies the work force is homogeneous. In two other companies, as in the case of New Brunswick Inter-

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<sup>(16)</sup> T. H. Robinson, « Management's Approach to Collective Bargaining », *Industrial Canada*, Vol. 60, December, 1959, pp. 44-50.

national Paper Company, the semi-skilled and unskilled workers are predominantly of French origin and skilled workers and management of English origin. These two companies (Fraser Company and Bathurst Power and Paper Company) are also located in small communities in Northern New Brunswick near the Quebec border. The attempt to study the influence of ethnic and cultural factors in industrial relations in the two above-mentioned companies was frustrated by the lack of documentary evidence. However, it is likely that the local and ethnic and cultural factors in these two companies created some problems for management and gave a special quality to the handling of grievances. It should be pointed out that the findings of the New Brunswick International Paper Company's Case Study tend to minimize the influence of local and cultural factors and to stress the role of external pressures, both economic and organizational in the maintenance of « working harmony ». There is strong evidence that all three companies share the following common characteristics :

- (i) rural environment;
- (ii) pattern of unionization;
- (iii) ownership of companies — technological advances;
- (iv) favourable market and competitive forces.

Each company is located near the source of raw materials. There is no other major industry in the area and most of the residents depend for their livelihood on the existence of the mill.

All three companies are organized by the same two international unions, U.P.P. and I.B.P.S.P.M.W. Both unions act as one unit for bargaining purposes. Management had become accustomed to collective bargaining. Both paper mill unions have stable leaders and are secure because there is no rivalry between them. These three companies have experienced technological changes and have involved unions in the solving of problems posed by such changes. As a result, all these companies have been able to avoid permanent lay-off.

Fraser has three plants in New Brunswick and one in Maine, U.S.A. Bathurst Power and Paper has several pulp and paperboard mills in Eastern Canada, and the profits of these two companies, though not as high as those of the newsprint companies are close to theirs. The above factors explain why the wages and benefits paid by these two companies were approximately the same as those paid by the New Brunswick International Paper Company during the period 1953-63.

Since the above-mentioned characteristics of these two pulp and paper companies are identical with those described in the case study of New Brunswick International Paper Company, it is reasonable to assume that the findings of the above Case Study are equally applicable to them.

## Conclusion

It appears from the description and analysis of the « conflict cases » in the large mill's case study that ethnic differences in the work force created some serious problems for management. For instance the threat of the local union members to go on strike if corrective measures were not taken to bring an end to discrimination in employment practices does show the existence of tensions between union and management. However, active intervention of the industrial relations manager of the parent company and of the vice-president of the international union, resulted in measures being taken to correct the situation at the Dalhousie mill. The willingness of the leaders of international unions and the corporate headquarters to handle ethnic problems intelligently contributed to maintaining relationship of working harmony.

The importance of community relations in a mill town can not be overlooked. The majority of the population in the town depends directly or indirectly for their livelihood on the operations of the mill. The mill is located far from large population centres, and therefore the workers and management personnel are thrown together in a small community where mutual respect and goodwill is necessary. The company recognizes the fact that good relations in the community grow from relations inside the plant because no amount of paternalistic handouts could offset the harm done by disgruntled employees who complained to their neighbours and others around them about working conditions, favoritism or discrimination in the plant. The management realizes its responsibility to the community and is making constant endeavours to earn the respect, friendship and confidence of its residents through active participation in community affairs through financial support and through democratic leadership. This attitude of management has created a climate which is conducive to harmonious relationship between labour and management.

Other factors which seem to have helped in maintaining this type of relationship are a combination of favourable external economic and organizational factors and the willingness of union and management leaders to find mutually satisfactory solutions to technological problems.

In the final analysis the findings of this Case Study indicate that ethnic and cultural differences have not played as significant a role in industrial relations as have other external economic and organizational factors.

## **LES DIFFÉRENCES ETHNIQUES ET LES RELATIONS INDUSTRIELLES : UNE ÉTUDE DE CAS**

Nous présentons ici une étude de cas sur les relations du travail dans un moulin de papier à journal situé dans l'Est du Canada, dans le but de mesurer l'impact des conditions locales et des facteurs organisationnels et économiques sur le processus d'accommodation (le modèle d'Harbison et Coleman). Nous cherchons à examiner en plus le degré auquel les parties impliquées sont prêtes à s'occuper des tensions ethniques dans le but d'atteindre l'« accommodation », au niveau de cette entreprise. Enfin, nous tenterons d'indiquer dans quelle mesure les résultats de cette étude de cas peuvent être applicables à d'autres moulins.

### **LA COMPAGNIE INTERNATIONALE DE PAPIER DU NOUVEAU BRUNSWICK : UNE ÉTUDE DE CAS**

#### *Brève présentation*

Filiale de la C.I.P. américaine, cette compagnie produit du papier journal destiné à la vente et est située à Dalhousie, Nouveau-Brunswick.

#### *Relation entre la direction de la Compagnie et la population de Dalhousie*

Contrairement à plusieurs autres endroits, la C.I.P. n'a fait aucun effort pour s'infiltrer dans l'administration de cette petite ville. Dans les années '30, la compagnie signa un accord sur le montant des taxes municipales à payer à Dalhousie. Cette entente fut amendée en 1948 et en 1961.

#### *L'attitude vis-à-vis les syndicats*

Au moulin de Dalhousie, la Compagnie était opposée au syndicalisme depuis le début de ses opérations. En 1933, la direction institua un conseil d'entreprise dans chacun des moulins : ces organisations ressemblaient plus ou moins à des syndicats de boutique. C'est pourquoi le syndicat international des travailleurs du papier pria les travailleurs de boycotter ces comités et de tenir de réelles réunions syndicales secrètement. Après s'être aperçu de l'inefficacité des comités d'entreprise à empêcher l'infiltration syndicale, la Compagnie les abolit en 1937 et signa avec les représentants des travailleurs une entente leur assurant l'atelier syndical et autres bénéfices.

*Les caractéristiques ethniques*

Dalhousie a une population composée de 62.7% de gens d'origine française et 34.2% d'origine anglaise qui se répartissent généralement les emplois au moulin de la façon suivante :

	français catholiques	anglais protestants
Semi-qualifiés et non qualifiés	X	
employés cléricaux	X	X
hommes de métiers et travailleurs qualifiés		X
direction du moulin		X

*Impact des facteurs économiques et organisationnels*

a) La prospérité économique : l'emphase mise sur la coopération patronale-ouvrière dans cette industrie avait comme base première des considérations d'ordre économique.

b) Leadership en matière de salaires : entre 1953 et 1963, la C.I.P. a établi des « patterns » de salaires pour les autres compagnies canadiennes de papier.

c) Les changements technologiques : l'extension de la semaine de travail à sept jours a évité les mises-à-pied normalement causées par les changements technologiques.

d) Changement devant les attitudes patronales : on finit par admettre l'efficacité d'une méthode conjointe de solutions des problèmes.

e) Changement dans les attitudes syndicales : la reconnaissance officielle par les mécanismes d'accréditation calma le militantisme farouche des leaders et les amena à dialoguer plus calmement avec la direction.

**L'APPLICABILITÉ DE CES RÉSULTATS AUX AUTRES MOULINS**

Les résultats de l'étude du cas particulier de la Compagnie internationale de papier du Nouveau Brunswick tendent à minimiser l'influence des facteurs locaux et culturels et à donner une grande importance aux pressions économiques et organisationnelles externes dans le maintien de la paix ou de l'harmonie industrielle. Vu la grande ressemblance dans les caractéristiques de certaines compagnies avec le moulin du Nouveau Brunswick, il est possible de faire l'hypothèse que les résultats de cette étude de cas peuvent également les impliquer.

**CONCLUSION**

En dernière analyse, les résultats de notre étude de cas indiquent que les différences ethniques et culturelles n'ont pas joué un rôle aussi important sur le plan des relations industrielles qu'ont pu avoir d'autres facteurs externes d'ordre économique et organisationnel.