

COLLECTIVE BARGAINING UNDER A COMPULSORY CONCILIATION SYSTEM  
IN THE BRITISH COLUMBIA COAST FOREST INDUSTRY  
1947-1968

by

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A THESIS SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF ARTS

in the Department  
of  
Economics

We accept this thesis as conforming to the  
required standard

THE UNIVERSITY OF BRITISH COLUMBIA

April, 1971

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## ABSTRACT

This thesis examines the behavior of bargaining parties under a statutory scheme of compulsory conciliation.

The statutory scheme used in the study is the basic pattern of conciliation effective in British Columbia from 1947 to 1968. Its general function is explained in a summarization of published criticisms of the process.

A particular bargaining relationship -- that of the coast forest industry negotiations -- is examined on a historical and institutional basis to discover specific characteristics which would influence behavior under a conciliation process. Using this predicted pattern of interaction, a model of party behavior is constructed for the parties involved in actual negotiations. This is tested against a summarized chronology of the actual bargaining that occurred from 1947 to 1968.

The model reveals the important sections within a system of compulsory conciliation which influence the behavior of the parties during negotiations. It also emphasizes the importance of the apparent fairness of the recommendation stage of conciliation and its value to the union as a tactical "watershed" for continued bargaining.

The development of the dynamic process of party interaction in the coast forest industry emphasizes the importance of union internal or intra-organizational difficulties. It suggests the existence of a

limit to the effectiveness of any bargaining system which does not control the desires of the union rank and file.

With the dynamic process in mind, the analysis examines some of the influences that changing the statutory process would have upon the behavior of the parties. On this basis the actual significance or effectiveness of some past changes is analyzed and new changes are proposed. Too, the basic limits inherent in the compulsory conciliation system as a control over party behavior are emphasized.

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## CHAPTER ONE

### INTRODUCTION

This paper analyzes the process of compulsory conciliation enforced in collective bargaining negotiations in British Columbia from 1947 to 1968.

More particularly, it explains the behavior of the bargaining parties during the conciliation process. An investigation is made of the influence of later stages of conciliation upon the earlier stages, i.e.: to what degree does anticipation of later stages of conciliation alter behavior in earlier stages? Also examined are changes of behavior of the parties over successive years of conciliation utilization. For example, is the process stable over a period of time?

By discovering how the conciliation process influences the bargaining participants, knowledge may be gained of ways to make the process more effective in ensuring industrial peace. A general descriptive model of the compulsory conciliation process is presented by utilizing critical analyses of the conciliation process which exist in the literature. These studies were made by looking at the actual statutory process in operation. In constructing a theoretical model of compulsory conciliation, a particular bargaining relationship was isolated. Case histories which revealed a stable bargaining relationship through the statutory period, 1947-1968, were selected for this purpose.

More specifically, parties to the coast forest industry negotiations are examined to reveal particular institutional and historical

characteristics. By evaluating backgrounds and structures of the parties to the negotiation, a model of behavior under compulsory conciliation negotiations is thus created. This forest industry negotiation model is tested against a contract-by-contract exposition of the actual behavior of the parties over the period. In this way, the predicted behavior of the parties is compared with a summarized version of their actual behavior.

The efficacy of the model's ability to predict behavior under the compulsory conciliation scheme may be taken as an indication of the model's effectiveness in explaining the same conciliation process. This model may then be used to suggest ways of modifying the statutes to better regulate the behavior of the parties. Within limits, the relevance of the model to the forestry negotiations may be extended to collective bargaining negotiations in general.

The analysis proceeds on a step-by-step basis.

Chapter Two examines the provincial conciliation process under investigation. Observations and criticisms applicable to the conciliation system, as it has existed in British Columbia and elsewhere, are developed. These comments then provide a general picture of the effects of compulsory conciliation upon bargaining negotiations.

Chapter Three examines the background and organization of the parties to the coast forest industry negotiations: union, employers, employer bargaining organization, and state. The union's history, structure and internal policies are studied for characteristics which would tend to influence its behavior. The inter-relationship between the state and the employers is examined to indicate how the state is able to influence the

bargaining process. The influence of particular employers over the employers' agent, FIR is also discussed.

All such particular conditions are compiled for the purpose of projecting specific predictions of party behavior.

Based upon these conditions, Chapter Four creates our forest industry negotiating model which operates under the compulsory conciliation procedures for collective bargaining as discussed in Chapter Two. This model utilizes the general information in Chapter Two and institutional characteristics to predict the behavior of the parties. This model is tested against the historical record of actual collective bargaining negotiations in the forest industry from 1947 to 1968. Actual records of the negotiations provide the important events of each bargaining year and these are developed in chronological order. Statutory requirements, where relevant, are included along with significant resultant changes in the status of the bargaining parties. Chapter Five thus represents the control for testing the model.

Chapter Six outlines results of the comparison between the predictions of the model and the actual events represented in Chapter Five. The model is evaluated on its ability to explain the mechanisms of compulsory conciliation within the industry.

The various changes which occurred within the actual conciliation process are analyzed in Chapter Seven. The general effectiveness of the present and other proposed changes in the statutes are discussed.

In the final chapter, Chapter Eight, the general significance of the model's process of party interaction is examined both in respect

to the industry itself and the negotiations in general. An attempt is made to combine the general comments of Chapter Two and the process described in Chapters Six and Seven. A general emphasis is given both the influence of recommendations and the intra-organizational processes of the union. These offer the two most critical areas for more effective regulation of bargaining within a compulsory conciliation system.

## CHAPTER TWO

### A GENERAL VIEW OF THE STATUTE

The process of compulsory conciliation in operation in British Columbia from 1947 to 1968 has been described as a "unique Canadian experience."<sup>1</sup> It was the result of two separate developments in Canadian labour law: the compulsory mediation of labour disputes beginning in 1907 with the Industrial Disputes and Investigation Act;<sup>2</sup> the process of certification of labour unions and enactment of requirement of collective bargaining in World War 2.<sup>3, 4</sup>

The process of certification underwent minor changes over the years but remained basically unchanged. A union could become certified as the exclusive bargaining agent for a group of employees by gaining majority worker support. Within a stated period prior to expiration of an existing labour contract, either party could require the other to join in collective bargaining over terms of the new labour contract.

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<sup>1</sup>Donald J. M. Brown, *Interest Arbitration* (Ottawa: Task Force of Labour Relations, 1970), p. 243.

<sup>2</sup>C.S. 1907, c. 20.

<sup>3</sup>Order in Council (PC 1003), February 1944 and others.

<sup>4</sup>For a brief history of this legislation, see H. D. Woods, "Canadian Collective Bargaining and Dispute Settlement Policy: An Appraisal," *The Canadian Journal of Economics and Political Science*, Volume XXI, (November, 1955), pp. 447-63.

If, after a specific time, bargaining was unsuccessful in reaching agreement on terms of a new contract, a government appointed conciliation officer could be brought in at the request of either party to help bring parties to agreement. If he failed to do so within a time limitation (subject to special extensions conferred by the minister of labour), a second level of government intervention was applied. In later years this second level became optional on the part of the government. Earlier it was instituted at the request of either party or the government.

The second level of intervention involved hearings to arrive at proposed terms for resolving the dispute. This higher level consisted generally of one nominee from each side and a chairman selected by the nominees. [Later in the 1947-1968 period, single members selected by the government brought in recommendations]. The majority determined the recommendations. The recommendations were then submitted to the disputants for acceptance or rejection by ballot. Only if the entire process was completed and the recommendations were rejected by a party, could the party resort to a strike or lockout.

The parties did not gain the right to use the strike or lockout weapon even if the contract had expired during the compulsory processes of conciliation. Penalties were imposed in the case of either an illegally struck or locked out plant during the process period.

Various motives may be ascribed to the provincial authority requiring such a process of conciliation during a bargaining process. For instance, if we assume that the state feels that collective bargaining is a desirable method of achieving the terms of an employment relation-

ship, then mandatory collective bargaining is one way of instituting it. Certification of unions may be assumed to be valuable for preventing recognition disputes; this, however, is a topic not within the scope of this paper.

When industrial peace becomes the sole motive of the state, then the process of conciliation may be taken as instituted exclusively for the purpose of ensuring a peaceful conclusion to the collective bargaining process. The motive of the government, however, may be stated in the reverse: the required conciliation process is designed to prevent the collective bargaining process from resulting in a strike or lockout. It is assumed that the role of these procedures is designed to reduce conflict within the industrial relations system. For independent reasons, it is assumed that collective bargaining and certifications of unions are foundations of that industrial relations system.

A superficial examination of the steps in the conciliation procedure reveals some of the goals of the process. The first-stage conciliation officer can furnish the parties with skilled mediation of their dispute. The second stage-recommending process can serve to generate public pressures on the parties to reach a settlement. Denying the parties the right to strike or lock out until the process is completed prevents heated or ill-considered strikes from defeating the purposes of reconciliation.

The effects of a staged process of conciliation must be analyzed both over the entire process and over subsequent years of process utilization. The anticipated effects of later stages in the process may alter



the influence of earlier stages. Continued use of the process in successive years may in some way change the effects of the process upon the bargaining parties.

This chapter aims to construct a general model of behavior of bargaining parties under this compulsory behavior process. Insofar as is possible, both the theory of bargaining and comments in the literature on the working of the compulsory conciliation process are used to form a rudimentary model of behavior for bargaining parties in general under the statutory process. In a later chapter specific parties are used to refine the workings of the model.

Critics of the compulsory bargaining system have suggested, by aggregation, a simple model of how the process functions. The compulsory delay of any probable work stoppage removes any initiative the parties had to bargain. There is no danger of cost in refusing to make concessions.<sup>5</sup> Indeed, there may be gain in taking a rigid and uncompromising position prior to a recommendation hearing on grounds that the recommendations will be primarily a compromise between the two positions taken before the hearings.<sup>6</sup> The effect of this is a devaluation of the bargaining process as a mediating influence on the parties.<sup>7</sup>

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<sup>5</sup>H. D. Woods and Sylvia Ostry, *Labour Policy and Labour Economics*, (Toronto: MacMillan of Canada, 1962), p. 194.

<sup>6</sup>Stuart M. Jamieson, *Industrial Relations in Canada* (Toronto: MacMillan of Canada, 1957), p. 119.

<sup>7</sup>H. D. Woods, "Canadian Collective Bargaining and Dispute Settlement Policy: An Appraisal," *op. cit.*, p. 453.

The failure of the bargaining process puts complete responsibility on the recommendation agency for supplying a solution. Conciliation boards, however, have experienced difficulties in determining their roles in the process. As conciliators, they would aim to produce a recommendation that would maximize the chances of settlement between the parties. As representatives of the public, they might tend to produce settlements that are near the public interest. Where the recommendations are not accommodative, they do not bring about a settlement.<sup>8</sup> Carrothers has also suggested that the influence of the board's recommendations depends upon the supporting votes of the disputants' representatives. To the extent that they are divided, the recommendations will represent a "failure" to bring the parties together.<sup>9</sup>

The procedures may also result in increased delay because the parties learn to use them as tactical devices against each other.<sup>10</sup> The unions are particularly vulnerable to delay, for it is contended, the status quo generally favors the employers. The delay then tends to increase union passion.<sup>11</sup> Where the recommending agency is successful in

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<sup>8</sup>Stuart M. Jamieson, *Industrial Relations in Canada* (Ithaca, New York: Cornell University Press, 1957), p. 119.

<sup>9</sup>A. W. R. Carrothers, *Collective Bargaining Law in Canada*, (Toronto: Butterworths, 1965), p. 304.

<sup>10</sup>Woods, "Canadian Collective Bargaining," *op. cit.*, p. 464.

<sup>11</sup>Jamieson, *op. cit.*, p. 118.

producing recommendations conducive to a settlement, it is not clear that a settlement would not have been reached through normal collective bargaining.<sup>12</sup> When the recommendations fail to produce a settlement, there is evidence that the work stoppage is longer, because the procedures leading to it hardened the positions of the disputants.<sup>13</sup>

This model suggest that anticipation of the recommending stage of compulsory conciliation hinders real give-and-take collective bargaining. Both parties bargain only during or after the recommending function. The delay in negotiation, until this late period in the bargaining relationship, may be used as a tactic of management and is, in any event, resented by the union. Repeated utilization of the process tends to dull its moderating effects over time.

The model described is extremely general in its description of the behavior of the parties and offers little explanatory power as to the inter-relations of the parties. Critics of the statutory process have concerned themselves with pointing out aspects of party behavior which are not "desirable" for society. They have not attempted to illustrate the workings of the process in its entirety. Their comments are also not necessarily directed to every bargaining situation.

Bargaining theory has not been widely extended into the mediation process. Stevens found his investigation into mediation function and

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<sup>12</sup>Woods, *op. cit.*, p. 464.

<sup>13</sup>Jamieson, *op. cit.*, p. 117.

tactics to be one of but very few in the field.<sup>14</sup> His arbitration model is useful in analyzing the mediation process under study here. This model,<sup>15</sup> like other institutional theories of bargaining, however, requires some degree of information concerning the specific parties who are bargaining. Stevens says:

An analysis of mediation is not possible except in the context of a general analysis of collective bargaining negotiation. That is, unless the investigator has some theories about the agreement process in negotiation, about why and in what ways the parties do (or do not) reach agreement, it is difficult to see how he can analyze the contribution of the mediator to the resolution of conflict.<sup>16</sup>

A general bargaining model cannot encompass characteristics specific to a particular bargaining relationship. To obtain specific information about "why and in what ways parties do (or do not) reach agreement," the characteristics of the parties involved in coast forest bargaining are analyzed in the next chapter. On the basis of that "industry specific" information, the model of collective bargaining behavior under the compulsory bargaining process will be extended in Chapter Four.

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<sup>14</sup>Carl M. Stevens, *Strategy and Collective Bargaining Negotiations* (Toronto: McGraw Hill, 1963), pp. 122-23.

<sup>15</sup>Carl M. Stevens, "Is Compulsory Arbitration Compatible With Bargaining," in *Industrial Relations*, Volume V (February, 1966), pp. 38-52.

<sup>16</sup>Stevens, *Strategy and Collective Bargaining Negotiations*, *op. cit.*, p. 123.

## CHAPTER THREE

### THE INSTITUTIONAL CHARACTERISTICS OF THE PARTIES

General observations concerning the way parties will behave under a particular bargaining procedure can be strengthened by examining particular bargaining relationships. Institutional characteristics of the parties can lead to predictions as to how the parties will interact in the bargaining procedure.

Within the coast forest bargaining unit three parties may be seen to inter-relate: the employers and their agent, FIR; the union, IWA; and the state.<sup>1</sup> Each party is examined for characteristics in their history, structure and outlook, which would generate predictions about specific behavior.

The institutional analysis, then, attempts to provide more accurate predictions than a general theory of party behavior. Thus, a model using industry-specific information as well as general theory should be superior to general theory alone in predicting how the particular parties will behave in a given bargaining procedure.

Factors examined in this chapter are those in which the characteristics of the particular parties differed widely from normal or average

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<sup>1</sup>The state's behavior is here defined as that behavior which is exhibited because of the nature of the specific bargaining relationship. General state behavior, such as the passage of the labour statutes, is excluded from this analysis. If the response is not caused by institutional factors it could not be predicted by an institutional analysis.

form. The ways in which the parties differed from typical bargaining participants are weighted to some degree by their anticipated predictive force in the industry-specific model of behavior. For example, the chapter considers in considerable detail the history of the union because of its anticipated importance in determining bargaining behavior. The history of the firms is omitted because it was expected that an analysis based upon present organizational structure during the bargaining period would be superior in predicting the behavior of the parties in negotiations.

The institutional factors here considered are utilized to make industry-specific predictions about the behavior of the parties. This behavior analysis is undertaken in the next chapter. The analysis of the particular characteristics of the parties is summarized in rather gross form following each discussion in the chapter. In later chapters, reference will be made to the more specific characteristics of behavior.

Certain of the institutional propensities discussed hereunder result from incidents occurring during the period from 1947-1968. The result is a degree of duplication between the institutional analysis here and the later examination of the bargaining relationship over the same period.

Where possible, cross references have been used to avoid undue repetition. For example, the 1948 schism within the IWA in B.C. is important to an understanding of both the history of the union and the 1949 bargaining; consequently, references to this internal factor appear in both places in the presentation. To some degree, however, the reader is referred back to the institutional analysis wherein the bargaining history is examined.

The origins and early bargaining history of a union will reveal how the union members or the leaders view their dealings with the employers, the state and the public. In turn, the history and behavior of the union will have shaped the expectations of the employers and the state as to the behavior of the union.

Characterization of the union's inter-relations with the parties, through an examination of its past behavior, is a powerful predictive tool. The stronger and more consistent the behavior of the parties in their inter-relations in the past, *ceterabus paribus*, the more likely will that behavior continue.

#### A. Organization Of A Union In B.C. Forestry

The forests of British Columbia had supplied the need for local lumber and hewn timbers since early settlement days. Commercial sawmills, utilizing the local logs, were erected on a small scale during the middle of the 19th century.

Growth of the forest products industry was fairly rapid owing to the demands for lumber on the west coast of North America.

The turn of the century brought increasing competition from Northwestern mills for the United States market until the World War I broke out. The war brought increased demand for forest products at the same time that the opening of the Panama Canal, in 1914, gave British Columbia access to European markets.<sup>2</sup>

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<sup>2</sup>*The Logging Labour Force in Coastal British Columbia*, Research Branch, British Columbia Department of Labour (Victoria, B.C.: 1969), pp. 1-4.

The large-size timber, coupled with the rough terrain of coastal British Columbia, restricted the size and location of the early logging camps. Lack of techniques for moving logs any distance over land kept camps small and mobile. The work force tended to be migratory and often was composed of part-time farmers or farmers' sons.<sup>3</sup>

While working conditions were poor, there was a lack of organized action by the workers to improve their lot. In 1900, however, formation of the British Columbia Woodworkers' Union was initiated by the Vancouver Trades and Labour Council. Results were but temporary. In 1909 the Industrial Workers of the World introduced the concept of industrial unionism into the lumber industry. While the "Wobblies" were successful in exposing the workers to new radical unionism, they failed to establish a lasting organization.

The limited technology and the resultant small-scale production unit made organization difficult. Logan comments on the effects of increasing technology in lumber:

But at this stage invention was to play a part in making the industry more accessible if not more receptive to unionism. The "high-lead system" of logging (meaning sawing trees and controlling operations at various heights off the ground) and the "McLean loading boom" combined with the enlarged market to revolutionize the industry. Camps increased from 50 - 75 workers to 200 - 300 and operated the year through. Communities took on permanence, including females and families. Companies became larger and fewer by virtue of costly equipment required.<sup>4</sup>

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<sup>3</sup>H. A. Logan, *Trade Unions in Canada* (Toronto: MacMillan Co., 1948), p. 280.

<sup>4</sup>*Ibid.*, pp. 280-81.



The larger, more permanent camps provided a base for attempts at unionization. Thus, in January, 1919, the British Columbia Logger's Union was formed with organizational help from leaders of the Vancouver Trades and Labour Council. These were radical unionists who had been instrumental in the formation of the One Big Union (OBU). In July, 1919, the Logger's Union became an affiliate of the OBU and was renamed the Lumber Workers' Industrial Union (LWIU).<sup>5</sup>

The year 1919 was one of militant revolutionary unionism in western Canada. General strikes in Winnipeg and Vancouver formed the background for the strike activity of the LWIU. The union sought better working conditions and wages without insisting on recognition or bargaining. No statutory protection existed for a union member. The employers were able to organize systematic blacklists and, according to union claims, employed Pinkerton men and the RCMP to resist unions.<sup>6</sup> At the same time as the resistance of the employers became effective, the OBU was split by factionalism. The LWIU withdrew from the OBU over differences concerning how the former should be organized. LWIU personnel were also found to have been aiding the rival IWW in Canada.<sup>7</sup>

"The total effect of all these adverse circumstances was to bring the LWIU to an abrupt close after its burst of aggressive strike-breaking and enthusiastic hopes."<sup>8</sup>

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<sup>5</sup>Logan, *op. cit.*, p. 281.

<sup>6</sup>*Ibid.*, p. 282.

<sup>7</sup>*Loc. cit.*

<sup>8</sup>*Loc. cit.*

In Vancouver, in 1928, the Lumber and Agricultural Workers' Union was formed.<sup>9</sup> This was associated with the Workers' Unity League, the representative among the Canadian unions of the militant Communists.<sup>10</sup> In January, 1934, the union participated in a widespread strike in the British Columbia logging camps and the dispute was mediated by a Board of Industrial Relations appointed by the provincial government.<sup>11</sup> The Board heard presentations from both sides, the employer and a group representing the employers (not the union representatives). The Board produced recommendations which settled the strike.<sup>12</sup> During the strike the union changed its name to the Lumber Workers' Industrial Union.<sup>13</sup>

In 1935, as a result of a policy of amalgamation with non-Communist unions by the WUL, the LWIU affiliated with the American United Brotherhood of Carpenters and Joiners as District One in the lumber workers' wing.<sup>14</sup> The developing union movement in the Northwest lumber region, at that time known as the Northwest Council of Sawmill and Timber-

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<sup>9</sup>Myrtle Bergren, *Tough Timber* (Toronto: Progress Books, 1966), p. 27.

<sup>10</sup>Logan, *op. cit.*, p. 340.

<sup>11</sup>Bergren, *op. cit.*, p. 46.

<sup>12</sup>*Ibid.*, p. 51.

<sup>13</sup>*Ibid.*, p. 52.

<sup>14</sup>Logan, *op. cit.*, p. 283.

workers' Unions, joined the Carpenters' Union one month later.<sup>15</sup> The lumber workers, under the Carpenters' Union, were members of the Lumber and Sawmill Workers' Union, AFL, which consisted of the LWIU, now District 1, LSW, and 10 other districts in the U.S. midwest and western states.<sup>16</sup>

The LSW members had class "B" membership within the Carpenters' Union,<sup>17</sup> which meant lower dues along with inferior pension and voting rights.<sup>18</sup> The orientation of the LSU was industrial while the Carpenters were supporters of craft unionism.

In 1936 the LSU districts sent delegates to a meeting in Portland, Oregon, to draft a supplementary constitution seeking greater autonomy under the parent Carpenters' Union. The draft document was presented to the Carpenters at their convention in Florida. The delegation was denied the right to address the convention, the Carpenters considering the movement as Communist-inspired and ordering a series of expulsions and charter cancellations.<sup>19</sup>

Disenchanted members of the LSU then formed into the Federation of Woodworkers, with Harold Pritchett, head of the British Columbia District Council, as president. Jensen describes the Federation's indeter-

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<sup>15</sup>Margret S. Glock, *Collective Bargaining in the Pacific Northwest Lumber Industry* (Berkeley: Ind. Rel. Instit., Un. Cal. Berk., 1955), p. 9.

<sup>16</sup>Logan, *op. cit.*, p. 283.

<sup>17</sup>*Ibid.*

<sup>18</sup>Glock, *op. cit.*, p. 10.

<sup>19</sup>Logan, *op. cit.*, p. 283.

minate status:

The Federation had no charter and was not officially recognized by the Carpenters, but had sufficient authority from the various locals through the district councils to function. Although convened in protest against the Carpenters, the convention voted to stay with the Brotherhood.<sup>20</sup>

The Carpenters refused to charter the Federation, or recognize it as part of the Carpenters' Union, so the Federation entered into negotiations with the Committee for Industrial Organization headed by John L. Lewis. After a convention and referendum in 1937, the Federation broke completely with the Carpenters and formed the International Woodworkers of America under the CIO.<sup>21</sup> Harold Pritchett became president and was re-elected repeatedly until in 1940 he was denied re-entry into the United States and was forced to resign as president.<sup>22</sup>

Formation of the IWA created internal conflicts within the forest industry labour ranks throughout the fir and western pine regions of the United States. Washington, Oregon, California, Idaho and Montana were involved in internal conflicts and jurisdictional disputes which were to trouble the industry until World War 2.<sup>23</sup>

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<sup>20</sup>Vernon H. Jensen, *Lumber and Labor* (Toronto: Farrar and Rinehart, 1945), p. 204.

<sup>21</sup>Glock, *op. cit.*, p. 11.

<sup>22</sup>Logan, *op. cit.*, p. 283.

<sup>23</sup>Jensen, *op. cit.*, p. 225.

The British Columbia district fully supported the IWA. The Canadian union joined with other Canadian CIO unions to form the Canadian Congress of Labour. Harold Pritchett was elected president of the Canadian Region, District No. 1, after his resignation as International President in 1941.<sup>24</sup>

While the Canadian District, IWA, was not threatened with factionalism or jurisdictional disputes as were the American regions, its leadership was not united on technique. Ill-prepared and ineffective strikes were expensive both in money and loss of support. A prolonged and difficult strike at Oyster Bay, in 1938, took a heavy toll on the union. By summer the dues-paying membership within the district had been reduced to 226.<sup>25</sup>

With the outbreak of the Second World War, the demand for lumber workers exceeded supply. This encouraged the union to change from the tactic of submitting grievances and complaints, to that of seeking recognition and bargaining powers.<sup>26</sup> Among the Communist unions throughout Canada, co-operation with employers became popular. "No strike" pledges were used by the Canadian Communist unions, the IWA included, as an organizing device.<sup>27</sup>

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<sup>24</sup>Logan, *op. cit.*, p. 284.

<sup>25</sup>Bergren, *op. cit.*, p. 125.

<sup>26</sup>Logan, *op. cit.*, p. 284.

<sup>27</sup>*Ibid.*, p. 343.

The Communists had two reasons for adopting this change. First, the entry into the war of Russia as an ally in 1941 made the unions very interested in maintaining war production;<sup>28</sup> secondly, the high demand and short supply of labour provided the unions an excellent opportunity to gain recognition from employers. Unions were virtually forced to concentrate on recognition by Order-in-Council (P.C. 8253) which established the National War Labour Board and nine regional boards. Wartime regulations put wage agreements outside the area of collective bargaining.<sup>29</sup> While the power of the unions could not gain wage increases, it could be used to gain recognition and the right to represent the employees in collective bargaining.

Pre-war legislation governing collective bargaining had avoided explicit treatment of the certification of unions, or of compulsory collective bargaining. Statutes dealing with the settlement of industrial disputes provided machinery to assist the parties. Statutory language covered "employers" and "employees," not unions as such. Parties were not forced to bargain together.

The Industrial Disputes and Investigation Act<sup>30</sup> was the first example of this statutory approach. Woods suggests:

"While the IDI Act did not provide for certification and made no positive statement about compulsory bargaining, both of these were implicit

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<sup>28</sup> Logan, *op. cit.*, p. 343.

<sup>29</sup> Cameron and Young, *The Status of Trade Unions in Canada*, (Kingston, Ont.: Queens University, 1960), p. 62.

<sup>30</sup> C.S. 1907, c. 20, assented to March 22, 1907.

in it."<sup>31</sup>

Thus, the federal and provincial legislation that followed in the 1930s seemed to guarantee something that recalcitrant employers had always been and still were able to avoid.

The IWA started to make organizational gains on the basis of a Wartime Order-in-Council<sup>32</sup> which had the effect of stabilizing wages at the level of November 15, 1941. When a company became organized, the union would make a survey of the wages paid to individual workers. The highest wages within a classification became the rule, raising the average wage rates within the plant.<sup>33</sup> These gains were limited to small employees, rather than the larger mechanized companies in the British Columbia Logging Association which were resisting union organization.<sup>34</sup>

Russia's entry into the war aided the Communist IWA in British Columbia. The union's war efforts and its no-strike clause helped to win public sympathy in its drive for recognition in the forest industry. Government pressure was increasing on the employers to stop resisting unionization. In March, 1943, the Industrial Conciliation and Arbitration

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<sup>31</sup>Woods, "Canadian Collective Bargaining and Dispute Settlement Policy: An Appraisal," *op. cit.*, p. 461.

<sup>32</sup>Cameron and Young, *op. cit.*, p. 56, discussing legislation in six Canadian provinces.

<sup>33</sup>Bergren, *op. cit.*, p. 212.

<sup>34</sup>*Ibid.*, p. 221.

Amendment Act, 1943<sup>35</sup> was enacted in British Columbia. It required an employer to bargain with the union in which the majority of his employees were members.<sup>36</sup>

In June, 1943, a majority award of an Industrial Disputes Inquiry Commission, operating under Order-in-Council (PC 4020),<sup>37</sup> ordered an employer in the Queen Charlotte Islands to recognize the union. The B.C. Loggers' Association, acting as agent for the employer, refused to do so.<sup>38</sup> A strike resulted, lasting 14 days and involving a thousand workers. Production and shipment were halted in the sitka spruce used for airplane production. The public and the trade union movement supported the IWA recognition strike. The employer signed an agreement with the union as bargaining agent for the employees.<sup>39</sup>

The Commission recommendation and public support of the IWA strike convinced the employers to cease resisting union organization. A bargaining agent, R. V. Stuart Research Service Ltd., was created to negotiate for the employers.<sup>40</sup> R. V. Stuart had been the secretary of the B.C.

<sup>35</sup>S.B.C. 1945, c. 28.

<sup>36</sup>Cameron and Young, *op. cit.*,

<sup>37</sup>*Ibid.*, discusses the functions of IDIC investigations.

<sup>38</sup>Bergren, *op. cit.*, p. 218.

<sup>39</sup>*Ibid.*, p. 221.

<sup>40</sup>Stuart Research was incorporated January 8, 1942. See *History of Forest Industrial Relations Limited* (unpublished mimeograph by FIR: Vancouver, 1956; revised 1963).



Loggers' Association.<sup>41</sup> In November, 1943, Stuart and the IWA began bargaining on a contract which would apply to all firms on the coast which were represented by the IWA. The parties signed a memorandum of agreement on December 1.<sup>42</sup> As the union was successful in gaining wide-spread recognition during the next few months,<sup>43</sup> the basic agreement with Stuart Research was a means of achieving standardization of conditions in the coast forest industry.

The first post-war wage negotiations between employers and the IWA were conducted under federal jurisdiction. Mechanisms for dispute investigation adopted during the war<sup>44</sup> had been amended by Order-in-Council (P.C. 6482) on October 11, 1945. This order extended wartime procedures in which disputes might tend to "interfere with the transition to a peace-time economy."<sup>45</sup>

The union had initially demanded a 25-cent per hour wage increase, union security and a 40-hour work week. The union slogan was "25-40-Union Security." The employers, through Stuart Research, offered a five-cent increase and rejected the other demands. The parties had bargained down to offers of 18 and 12½ cents respectively, but union security was still in dispute. At this stage the union called for a strike vote on

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<sup>41</sup>Bergren, *op. cit.*, p. 222.

<sup>42</sup>*Ibid.*, p. 223.

<sup>43</sup>They were aided by P.C. 1003 passed in February 1944.

<sup>44</sup>Order-in-Council (P.C. 4020) passed in June 1944.

<sup>45</sup>*Labour Gazette*, Volume XXXXVI, June 1946, p. 775.

May 15.<sup>46</sup>

The federal minister of labour appointed Chief Justice Gordon Sloan as Industrial Inquiry Commissioner on May 11, 1946. His efforts were unsuccessful owing to the intransigence of the disputants. The employers would not meet with the union under strike threat, while the union would not lift the strike call unless concessions were made by employers. The strike began on May 15 and involved the industry throughout the province -- 37,000 workers, or approximately 20 per cent of the province's total payroll.<sup>47</sup>

The Sloan Inquiry was extended in late May to aid the parties in reaching an agreement. After five days of meetings, on June 1, Judge Sloan reported still no agreement, but suggested a compromise settlement splitting the differences in wages and hours between the parties' respective demands and compromising the union's stand on increased security. The employers accepted the recommendations but the union rejected them.

The union's rejection alienated public opinion, since the provincial and dominion labour ministers had pronounced the recommendation as fair. The provincial cabinet met with the IWA negotiation committee on June 14 and strongly urged acceptance of the terms. Fruit was rotting in the Okanagan for lack of boxes and public opinion was rising against the strike.<sup>48</sup> By government order the interior box and shook plants were put

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<sup>46</sup>Logan, *op. cit.*, p. 284.

<sup>47</sup>*Ibid.*, p. 284.

<sup>48</sup>*Loc. cit.*

back in operation. The union was forced to accept the Sloan recommendations on June 26<sup>49</sup> when further compromises were rejected by the employers and the government threatened sterner measures against the union.

District President Harold Pritchett, in an editorial to the membership in the union newspaper, commented on his union's treatment of the recommendations:

They were accepted by the employers and rejected by the union in a manner which constituted a major error on the part of the union and tended to improve the position of the employers in the eyes of the public. The rejection also tended to isolate the union from large sections of support.<sup>50</sup>

Pritchett concluded that rejection was not a successful technique and that better means of dealing with recommendations would have to be found.<sup>51</sup>

#### B. Union Structure and Internal Government

The behavior of union spokesmen in their relations with employer representatives during the bargaining process is heavily influenced by intra-organizational considerations. The relative importance of these considerations in influencing the behavior of the spokesmen depends upon the actual or potential disagreement within the union over proper union behavior or expectations during bargaining.

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<sup>49</sup>Logan, *op. cit.*, p. 285.

<sup>50</sup>British Columbia *Lumber Worker*, July 8, 1946, p. 6.

<sup>51</sup>*Ibid.*

The influence of a given level of actual or threatened dissension also depends upon the union's internal structure. An autocratic union run by popular leaders who are free from challenge within the membership would be able to undertake unpopular activities in the short run that might split a democratically-governed union which was narrowly divided into entrenched factions. Each element alone and the two elements working together can be used to explain particular union behavior in a variety of circumstances.

The IWA is a highly democratic union with a great deal of autonomy at both the district and local levels. The Canadian sections of the IWA allow great autonomy. Referring to the Woodworkers and three other large industrial unions, Crispo says:

The Canadian sections generally have the power to do almost anything short of amending the international constitution. For example, they not only determine their own bargaining goals and strategies, but go their own way in political affairs and the broader issues of the day.<sup>52</sup>

District No. 1 of the IWA comprises all of British Columbia and is divided into an interior and a coastal area. The coastal area contains seven of the 12 IWA locals within the region<sup>53</sup> (see map on the following page). The coastal "sub-district" of seven locals in the bargaining unit

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<sup>52</sup>John Crispo, *International Unionism* (Toronto: McGraw-Hill, 1967), p. 68.

<sup>53</sup>J. R. Vaselenak, "Industrial Dispute Settlement in the British Columbia Lumber Industry, 1946-1953," in H. D. Woods (Ed.), *Patterns of Industrial Dispute Settlement in Five Canadian Industries* (Montreal, Que.: The Industrial Relations Research Centre, McGill University, 1958), p. 331.

# FOREST DISTRICT AND COAST - INTERIOR BOUNDARIES

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for the master negotiations. The group does not operate as a unit.

Stuart Jamieson notes:

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 IWA; 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 occupational groups in the industry's labour force.<sup>54</sup>

The IWA, in British Columbia and within the coast forest industry, may be characterized as highly democratic in structure and procedures. International or even regional leaders could not expect to be able to dictate to the smaller union organizations.

The highly autonomous union structure was not of great concern under united leadership. Soon after creation of the IWA, factionalism began to develop. By 1942 the international organization of the CIO had put anti-Communists in power within the international office of the IWA.<sup>55</sup> This isolated the Communist-controlled British Columbia area. The Communist leadership remained in office until 1948. In that year the international executive of the IWA, in co-operation with the Canadian Congress of Labour, began to exert pressure to remove the Communists from the B.C.

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<sup>54</sup>Stuart Jamieson, "Multi-employer Bargaining: The Case of the British Columbia Coast Lumber Industry." Paper presented to the Annual Conference of the Canadian Industrial Relations Research Association, Ottawa, Ontario, June 16, 1970.

<sup>55</sup>Glock, *op. cit.*, p. 12.

region.<sup>56</sup>

The Communists attempted to retain control over the union by withdrawing from the IWA and CCL and forming a new union, the Woodworkers' Industrial Union of Canada.<sup>57</sup> The attempt to withdraw from the IWA failed, resulting in the expulsion of many of the Communist leaders. Jamieson states:

These struggles of the left-wing minority to retain control of the union, while unsuccessful, have nevertheless left a strong residue of ideological and policy differences within the organization that are still all-too-evident today.<sup>58</sup>

Factionalism remains today within the IWA Region No. 1. Syd Thompson, leader of the large Vancouver Local 1-217, is a militant opponent of the more conservative regional leadership. Elections, as well as policy decisions, are questioned or challenged by dissidents. The Local has its own newspaper, the "Barker," through which the militant dissidents attack the regional leadership. The coastal locals, in the last election, voted, in aggregate, in favor of the opposition candidate for regional president. The more conservative interior locals produced a winning margin for the incumbent, however.<sup>59</sup> The election demonstrates the degree of division within the coast locals over the leadership of

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<sup>56</sup>Jamieson, "Multi-employer Bargaining," *op. cit.*, p. 13.

<sup>57</sup>Glock, *op. cit.*, p. 12, fn. 15.

<sup>58</sup>Jamieson, "Multi-employer Bargaining," *op. cit.*, p. 13.

<sup>59</sup>*The Barker*, Volume XII, November 1970, p. 1.

their union.

C. Summary of the Institutional Characteristics of the Union

The IWA in the coast region has a long tradition of radical, revolutionary unionism. During and after World War 2, the tactics of the union seemed to shift from grievance to bargaining tactics. The 1946 strike appears to have suggested to the union that attention should be paid to public opinion and toward appearing to be reasonable in demanding changes.

The split caused by the attempted withdrawal of the union from the IWA, and the resultant expulsion of the Communist leaders in 1948, put strains upon the union. Its structure is not equipped to deal with factionalism within the union membership. The entrenched dissenters may continually create disharmony among the membership and make it difficult for the leadership to control the union.

There are two differing patterns of behavior in the union's history; one approximating that of revolutionaries, the other approximating business unionists. The union on the coast is divided on ideological grounds, with the conservatives presently having control of the regional presidency.

These splits in both traditional tactics and philosophical viewpoints will have important consequences in union behavior when the union operates under the conciliation procedures of the provincial government. These consequences form the topic of the succeeding chapter.



D. Employers and Their Association

During the period under examination, employers bargained exclusively through a corporate agent. The agent had been created for the purpose of bargaining and contract administration. Each contract negotiation saw well over 100 companies being represented by FIR or its predecessor, Stuart Research. FIR has described the wide diversity of operations among its principals:

The operations vary in size, type of product, and in many other respects. Some companies are engaged in logging only; others operate logging camps and wood processing plants. Some do not log and a substantial number carry on the complete cycle of production from logging to delivery of the finished product, including operation of ships for transportation of their own products and other commodities.<sup>60</sup>

It is important to discern how control over the agent is distributed among the population of companies. If the acts of FIR are normally the result of the wishes of a certain size or type of employer within the group, the behavior of the agent can be more easily predicted. This is particularly important since the government has means of exerting pressure on large companies which are not applicable to the smaller ones. That pressure will have an effect on the corporate bargaining agent only to the extent that the agent is controlled by the employer-members being pressured.

Within the employers represented by FIR, the few large integrated corporations dominate the employment and dollar-volume statistics

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<sup>60</sup> FIR Brief; Conciliation Board Hearings, August 8, 1949, p. 2.

of the industry. Moreover, many of the smaller companies depend upon the large ones for survival. As a consequence the six or seven large employers tend to control bargaining. FIR may be seen to be their agent alone.<sup>61</sup>

#### E. The State

A work stoppage in the coast forest industry has special consequences for the provincial government unlike work stoppages in any other industry. First, the bargaining unit encompasses the largest number of employees in the province. The loss of payroll and profits during the work stoppage would have a harmful effect upon the provincial economy. Provincial revenues would suffer from the loss in corporate and personal income taxes, sales taxes, etc.

Secondly, the work stoppage halts the cutting of timber on government-owned land. "Stumpage," or the fees the provincial government charges the private users of public forest land, is based upon trees cut. If harvesting stops, provincial "stumpage" revenue stops. Thus, the government has dual reasons for avoiding or shortening any work stoppage in the forest industry.

Because the government is a large owner of timber lands within the province, it has assumed an important role in directing forest development. One such technique of the government has been the issuance of forest management licenses. This process combines public and private lands, within

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<sup>61</sup>Jamieson, "Multi-employer Bargaining," *op. cit.*, pp. 14-15.

a geographical area, under one management.<sup>62</sup> The result of this program has been to place a large proportion of land under the control of a few large companies.<sup>63</sup> These are the same companies that by virtue of their size are the actual force behind FIR as the bargaining agent for the industry. This dependence by the large firms upon continued government co-operation in land development gives the government leverage in other areas. The government has a means of influencing the parties that control, to a large degree, the bargaining policy of the employer side.

The importance of this special influence over the employers has two effects. First, the employers would be much more inclined to co-operate with the bargaining procedures established by the government. This would mean that the employers' nominees would tend to dissent less often than labour nominees on conciliation boards.

Secondly, the influence of the state in the process would tend to produce employer compromises in "eleventh hour" mediation by the state. The state would be able to exert extra pressure upon the employer through the employers' dependence upon the state. Such influence would be lacking over the union participants.

An important assumption that has been made through this discussion is that the government is willing to pressure the employers to make concessions in the name of peace. Stuart Jamieson has suggested

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<sup>62</sup>Walter G. Hardwick, *Geography of the Forest Industry of Coastal British Columbia* (Vancouver, B.C.: Tantaleus Research, 1965), p. 22.

<sup>63</sup>*Ibid.*, p. 53.

that the B.C. Social Credit government may feel that labour unrest in the coast forest industry is a political advantage over the socialist New Democratic Party.<sup>64</sup> To the extent that this is true, any state influence available would not be necessarily used to gain concessions from the employers.

#### F. Summary of Chapter Three: Institutional Factors

As a result of interaction between the state and the large integrated employers, the large employer could be expected to encourage compliance with government procedures. Because the large employers have a great measure of control over the behavior of the employers' agent, FIR, this influence or bias will be reflected in the bargaining behavior of FIR.

These particular characteristics within the bargaining relationship are used in Chapter Four to generate industry-specific predictions of behavior to augment the general model discussed in Chapter One.

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<sup>64</sup>Jamieson, "Multi-employer Bargaining," *op. cit.*, p. 16.

## CHAPTER FOUR

### AN INDUSTRY-SPECIFIC MODEL OF NEGOTIATION UNDER COMPULSORY CONCILIATION

The institutional and historical examination of the parties involved in the coast negotiations may be used to predict particular patterns of behavior. These specific modes of intra-organizational and inter-organizational behavior provide an expected range of behavior patterns. A model of behavior, under compulsory conciliation, may be constructed from these expected patterns. In this way, the predicted behavior of these parties, under the conciliation process, may be more definite than the expectations produced from the general model in Chapter Two.

Employees in the coast forest negotiations have two forces that put them in the category of extreme militants among workers in general. First, the nature of the occupation, in itself, seems to produce aggressive labour-management behavior. Kerr and Siegel<sup>1</sup> found the lumber industry to be one of the high-propensity-to-strike industries internationally.<sup>2</sup> They have sought to explain this condition by suggesting that the workers' isolation on the job, and his physically difficult, dangerous working condi-

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<sup>1</sup>Clark Kerr and Abraham Siegel, "The Inter-Industry Propensity to Strike -- An International Comparison," in Kornhauser, Dubin and Ross (Eds.), *Industrial Conflict* (Toronto: McGraw-Hill, 1954), pp. 189-212.

<sup>2</sup>*Ibid.*, p. 190.

tions, tend to develop a "mass solidarity" and "action-oriented" approach to labour relations. These characteristics result from the nature of the occupation, independent of the country or system of labour relations in existence.

The second contributor to predicted militance by the union is its radical history. The development of the union in the forest industry included the revolutionary unionism of the IWW and the OBU as well as the long-time Communist leadership. Few unions in Canada have had such a radical heritage. These traditions and their ideological residue will inevitably contribute in some degree to militancy in the relations examined here.

Besides militancy, the union has exhibited a definite factionalism. Kerr and Siegal suggest that this is a result of the lumber workers' place in society as an isolated mass. Unionism becomes important to the members and "As one consequence, personal and ideological factionalism and rival unionism are more likely."<sup>3</sup> Such factionalism within the union makes it difficult to govern. This is especially true in the IWA because of the democratic, autonomous organization of the union. The leaders tend to be conscious of opposition to their actions. The effect of the leadership's awareness of opposition strength is to induce them to act with a view to fulfilling the expectations of the membership.

Walton and McKersie<sup>4</sup> have developed an intra-organizational bargaining model which analyzes these strains within the organization.

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<sup>3</sup>Kerr and Siegal, *op. cit.*, p. 193.

<sup>4</sup>Richard E. Walton and Robert B. McKersie, *A Behavioral Theory of Labour Negotiations* (Toronto: McGraw-Hill, 1965), Chapter VIII, pp. 281-309.

They suggest that the bargaining decision makers (here held to be union leaders) may be faced with membership expectations differing from their own in two areas: the sum of the final gains expected and the behavior of the leader in seeking those gains.<sup>5</sup> An entire chapter in the analysis is devoted to bargaining tactics which may be used by the leadership to minimize the difficulties produced by these different expectations.<sup>6</sup> The goal of these tactics is to minimize the differences between the members and the leaders. The difficulties encountered in such intra-organizational tactics on a two-party bargaining system, such as generally treated in bargaining theory, i.e., Walton and McKersie, is avoided in a three-party bargaining system. These distinctions will be developed hereunder.

Hicks has suggested that the difficulties in intra-organizational expectations may be exaggerated in conciliation:

There remains the possibility of a difference of opinion between the Union leaders and their rank and file. The leaders may be convinced that they have got the best that could be got by any method, but they may fail to convince their supporters. Probably conciliation actually increases the evil, the closer the contact between Union officials and employers, the more the officials become negotiators instead of agitators, the easier it is to persuade the ordinary member that his interests are being neglected.<sup>7</sup>

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<sup>5</sup>Walton and McKersie, *op. cit.*, p. 304.

<sup>6</sup>*Ibid.*, Chapter IX, pp. 310-51.

<sup>7</sup>J. R. Hicks, *The Theory of Wages*, 2nd ed. (Toronto: MacMillan of Canada, 1963), p. 147.

This would mean that in a divided union like the IWA, with a conservative leadership (relative to the militant faction), the leaders would have to behave militantly in order to prevent alienating the membership.

Directly contradicting this push toward militancy in bargaining is the pressure of public opinion and the danger of government intervention. The union learned in 1946 that open defiance of mediation recommendations can cost loss of public support and can bring government intervention. The very size of the industry creates concern in the public mind. The "public interest" in continued production cannot be openly defied by the union without grave consequences.

Union negotiators are therefore required to conform to the militant expectations of their membership, while appearing reasonable before the public. These requirements for behavior are purely motivated by Ross-type<sup>8</sup> political motivations and are fully independent of any wage gain considerations by the negotiators. These conflicting pressures would seem to indicate that the union would be involved in strike action or constant change of leaders unless some means existed for compromising the two opposite forces.

The compulsory conciliation system provides a way out of the paradox for the union negotiators. Through the preliminary negotiations

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<sup>8</sup>A. M. Ross, *Trade Union Wage Policy* (Berkeley: University of California Press, 1953). Ross is the original advocate of the principle that union behavior is not entirely based upon wage maximization, but is essentially political. The leaders wish to preserve their leadership positions.



and during the conciliation officer's term of office, the negotiators may adjust their behavior to conform to the membership's expectations. An initial union demand position can be taken that matches the expectations of the membership and allows "concessions," as are felt necessary to demonstrate flexibility before the public. When appearing before the recommending body, the union leadership may argue passionately for their "rights" to a certain reward or recommendation. Hicks suggests this legalistic or adversary position before the recommending body is a natural consequence of the way unions perceive issues.<sup>9</sup>

Thus, the union leaders would never tend to engage in actual bargaining before the recommendation agency had heard the representations of the union. An exception to this is suggested by Stevens.<sup>10</sup> His model deals with compulsory arbitrations, but to the extent that a recommendation has an effect upon the final contract, it is applicable here. Stevens suggests that, where one side has reason to fear the result of a recommendation body (in Stevens' analysis, arbitration), the other side can use the threat of imposing such a hearing to induce compromise. Where the party fearing arbitration is offered an immediate settlement larger than what he had expected it possible to gain in the hearings, he will settle.<sup>11</sup>

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<sup>9</sup>Hicks, *op. cit.*, pp. 149-50.

<sup>10</sup>Carl M. Stevens, "Is Compulsory Bargaining Compatible With Bargaining?" in *Industrial Relations*, Volume V (February, 1966), pp. 38-52.

<sup>11</sup>*Ibid.*, pp. 42-43.

Such an early settlement would be rare in the coast forest industry. It implies, first, that there was some reason to fear a recommendation. Since the union always has recourse to a strike if the recommendation is unsatisfactory, it is difficult to see how the union could fear a recommendation. Additionally, for the union leaders to make such an early settlement, they must be convinced that the union membership believes, or can be convinced, that such a move is the correct action to take. This involves convincing the membership that both the settlement level is within membership expectations and that the policy of early settlement is proper union negotiating behavior.

The described behavior would be that of the less militant leadership who are avoiding the political difficulties of appearing too "soft" in the eyes of the more militant membership. Militant leadership also would not be interested in compromise at the early stages of negotiations. Its demands would be similarly large and inflexible. The militant tactics would be to complete the conciliation procedures as rapidly as possible and to unlimber the strike weapons in order to make wage gains. In any situation, then, the IWA would tend to avoid real bargaining through the process of compulsory conciliation.

The employers, in turn, through FIR, would not be likely to make concessions in the early stages of bargaining. The union would be intransigent and no strike could be threatened until the procedures were completed. No motive exists for company concession beyond that level considered necessary to satisfy public opinion. FIR may feel that any early concessions made would hurt employers in the recommendation stage where a compromise decision is expected. No bargaining on

either side would thus begin until the recommending process is underway.

Recommendations have an important impact in the coast forest negotiations. Public and government pressures exist for a settlement. In the eyes of the public, an "unreasonable" or intransigent disputant would have great difficulty in carrying on a work stoppage against a "reasonable" opponent. Such labels give unity to the "virtuous resistance" of the "good" party and weaken the opposition of the "villainous" party. The government can bring pressure upon the employers to settle through its power over operation of forest management licenses. In extreme cases, the government can seize and operate plants such as occurred in the shook plants in 1946. Neither side can therefore risk complete disregard of the public's opinions of its behavior.

For the employers, the recommendation level of wage increase, barring some unusual content not normally considered within the range of recommendation possibilities, will be a minimum contract settlement. The union would tend to strongly resist any settlement below the recommendations. For the union, this would be a matter of "principle" for which the leadership would be allowed to accept no compromise. The government would also be pressuring the employers to accept what is, in effect, a government-sponsored, i.e., produced through government-created procedure, recommendation.

The union is not so bound by the recommendations. The union may be able to discount the recommendations as being unfair. The employers are unlikely to complain about the injustice of the statutory process while they depend upon the state for important benefits. The union

is able to complain whenever the process is unduly delayed or extends beyond an existing contract. When the recommending agency is tripartite, the union member may be expected to dissent from the board report.

The union would attempt to deny the "reasonableness" of the recommendations any time it expects that it could make gains by power negotiations after rejecting the settlement. This could be more easily done when some irregularity existed in the recommending process, or where the union had a chance to force a split decision on a tripartite body.

Where real "injustice" exists as a result of the recommendation agency settlement proposals, the employers may grant additional increases. The employers' bargaining decisions are more economic than political. The state will also exert pressure upon the employers to produce the additional increases if it is convinced that the recommendations are unreasonable. It is likely that such an adjustment could not be made by the union. The union would probably not accept any settlement less than the recommended level except under very unusual circumstances.

Union success in winning settlements above recommendation agency suggestions will raise their future expectations, while the employers will be anxious to hold the wage changes to the level of the recommendations. The union technique for denying the relevance of the recommendations is not an economic one, however. That is to say, union claims that the recommendations are unfair are shrouded in principle rather than in economic arguments. The recommending agency is designed to compromise the competing economic claims of the parties. On the one

hand, the claims of the union are based upon principle; those of the FIR are based upon economics.

When the "principle" arguments of the unions are put forth the intended result is an increased economic settlement. Thus, where the union expects the recommendations to produce a conciliation award of, for example, five cents per hour increase, and it believes that it can gain a larger increase in post conciliation bargaining, it will seek to debunk the objectivity or neutrality of the recommendations. Its nominee will not sign the recommendations. If there is, in fact, a larger increase possible in the sample year, then the union may win an additional increase. Its expectations will be tested against those of the companies. If the latter do not agree that there is margin for a post conciliation addition, i.e., above the five-cent conciliation recommendation, then a work stoppage may ensue. This is the result of differing expectations of economic positions.

A second type of disagreement is possible which will induce a strike where there may be no real difference in economic expectations. Assuming that a recommendation body issues recommendations which are economically sound, i.e., acceptable to both parties though procedurally irregular, the union normally uses irregularity as a basis for economic demands. Yet such economic demands will be resisted by the employers. The union leadership may feel compelled to seek gains because of the expectations of their membership. Thus the use of irregularities to destroy a recommendation may cause the union to reject a settlement it otherwise could accept.

The opposite is also true. If the union is faced with an economic recommendation which may not be what it expects, it cannot reject it unless it can find some basis beyond the economic question. A recommendation, generally one which is made by a single individual so that the union has no dissenting nominee, may be forced upon the union by public opinion and the intransigence of the employers in refusing to offer an increase above the settlement. The union may seek some way to make the process appear unreasonable, but, if it is unable to do so, economic dissatisfaction may not justify a strike. There may be considerable membership dissent in these situations because the leadership is confronted with the gap in leadership performance and membership expectations previously avoided by use of the conciliation process.

The suggested behavior of the parties in this model is not the "bargaining theory" expectation of the models of such theorists as Mabry.<sup>12</sup> The institutional characteristics of the parties are taken to over-ride any "maximizing" behavior of the disputants with respect to the other party exclusively. The parties under the coast forest bargaining model have intra-organizational motives which are satisfied through a three-party interchange. Where the two confront one another in post recommendation negotiations, with each party's economic goals serving as prime motivating forces, the classic bargaining theory assumptions may apply. This is an unusual situation under the institutional model.

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<sup>12</sup>Bevars A. Mabry, "The Pure Theory of Bargaining," in *The Industrial and Labour Relations Review*, Volume XVIII, No. 4 (July, 1965), pp. 479-502.

As with Stevens in his work on bargaining theory, however, this model does not attempt to explain the process of negotiation after a work stoppage has begun. The events during a strike are important in explaining the institutional characteristics of the parties. The strikes themselves have been mentioned as perhaps being periodically necessary to the union for later negotiation strength. In seeking to apply the model to the strike negotiations, Stevens' words best apply:

It has seemed to the author that, from the point of view of the contribution this inquiry can make, extension of the conceptual format to comprehend such phenomena would only result in a confusing proliferation and heterogeneity in the basic theoretical structure underlying the inquiry.<sup>13</sup>

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<sup>13</sup>Carl M. Stevens, *Strategy and Collective Bargaining Negotiations* (New York: McGraw-Hill, 1963), p. 6.

## CHAPTER FIVE

### THE ACTUAL NEGOTIATIONS 1947-1968

The collective bargaining negotiations in the forest industry from 1947 to 1968 furnish a series of behavior patterns against which an industry conciliation model may be tested. During that period the parties conducted regular contract negotiations and enjoyed a stable bargaining relationship. The statutes in effect in this period provided basically for the compulsory conciliation procedure discussed in the earlier chapters. Changes in the statutes or case law which had effect upon the bargaining relationship are discussed here.

The law and the events are listed as they occurred chronologically (see a summary Table I, p. 90 ). Attempts to summarize the data were kept to a minimum to avoid prejudging the importance of the events; aggregation was of necessity selective;<sup>1</sup> names of particular individuals and their occupations were included where the personality was of possible importance to the results of his participation.

Certain simplifying assumptions were necessary in recording the actual behavior of the parties in order to limit the variables to a

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<sup>1</sup>The summarization of negotiations in this chapter does not include any of the outside influences which characterize a wage determination process. On a general level, the industry's economic health and the wage gains of other related workers are tabulated in the Appendix. A development of the wage determining forces of the coast forest industry was felt to be beyond the limits of this analysis.



manageable number. The wages under discussion are given in dollar terms and are the amounts of increase over the earlier contract rather than amounts received. Fringe contributions are largely excluded from consideration except where they were the only gain in one negotiation session. (See Appendix I for wider development of fringes).

Dates are included in the chronology in order to show the normal progression of events and the effects of delays. Conciliation board reports are described as unanimous or not unanimous with the dissenting nominee given, along with his dissenting report, if any.

#### A. The Industrial Conciliation and Arbitration Act: 1947-1954

In peacetime, the federal government does not have jurisdiction over local labour issues.<sup>2</sup> These matters are then under provincial jurisdiction.<sup>3</sup> Thus, on April 3, 1947, British Columbia enacted a new labour statute titled *The Industrial Conciliation and Arbitration Act of 1947*.<sup>4</sup>

The ICA Act was designed to consolidate the pre-war provincial ICA Act of 1937, as amended, and the new developments of federal legislation. Bill 39, the ICA Act's title before passage, was to repeal both

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<sup>2</sup>See *Toronto Electric Commissioners v. Snider* (1925) AC 396 (PC).

<sup>3</sup>Section 92, the British North America Act.

<sup>4</sup>Statutes of British Columbia 1947, Chapter 44.

the 1937 ICA Act with its amendments and the British Columbia War Labour Relations Act of 1944.<sup>5</sup> The new act was opposed by the provincial labour movement and the IWA.<sup>6</sup>

The Act adopted a two-stage process of participation by the state in collective bargaining. It gave each party to a collective agreement the right to force the other to bargain collectively whenever two months or less remained before the existing contract expired.<sup>7</sup> The collective bargaining was free from state interference. However, if collective bargaining extended far more than 15 days without the parties being able to reach an agreement, either one could request the services of a conciliation officer.<sup>8</sup> The minister of labour<sup>9</sup> could appoint a conciliation officer to confer with the disputants at any time.<sup>10</sup>

The conciliation officer was limited to a maximum of 14 days with the parties, unless granted an extension by the minister.<sup>11</sup> He

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<sup>5</sup> Statutes of British Columbia 1947, Chapter 44, Section 76(2).

<sup>6</sup> British Columbia *Lumber Worker*, July 14, 1947.

<sup>7</sup> Section 14, *Industrial Conciliation Act of 1947* (hereafter cited as *I.C. & A. Act of 1947*).

<sup>8</sup> Section 17, *I.C. & A. Act of 1947*.

<sup>9</sup> The minister of labour had many of his duties, under this Act, given to the Labour Relations Board under the 1948 Amendment.

<sup>10</sup> Section 18, *I.C. & A. Act of 1947*.

<sup>11</sup> *Ibid.*, Section 19.

was empowered to offer recommendations on both the settlement terms and on the desirability of appointing a conciliation board.<sup>12</sup> His recommendations were not binding upon the minister or the parties. Recommendations by the conciliation officer for settlement of disputes were not treated as alternatives to the second stage conciliation board. No vote could be taken on recommendations given at the first level. This power to make recommendations was not used under the legislation at any time in the forest industry bargaining. The conciliation officers never undertook to perform other than an accommodative role under this legislation.

The conciliation board was to be brought in when either the conciliation officer was unable to bring the parties to agreement or at any time the minister found it advisable.<sup>13</sup> The board consisted of three members. Each party would appoint a nominee. These two nominees would appoint a chairman.<sup>14</sup> This board would then operate under time limitations in the formation<sup>15</sup> and submission of its final report.<sup>16</sup> It was given power to hold hearings and to reach a determination on terms to be recommended for settlement of the dispute. The report of the board was to be sent to the minister who, in turn, would distribute it to the parties and publicize it in any manner he deemed fit.<sup>17</sup>

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<sup>12</sup>Section 19(a), (b), and (c), *I.C. & A. Act of 1947*.

<sup>13</sup>*Ibid.*, Section 20.

<sup>14</sup>*Ibid.*, Section 48.

<sup>15</sup>*Loc. cit.*

<sup>16</sup>*Ibid.*, Section 23.

<sup>17</sup>*Ibid.*, Section 24.

When the report was received by the parties in dispute, a vote had to be held to either accept or reject the terms of the conciliation board.<sup>18</sup> Until this vote was taken, and the recommendations rejected, any strikes or lockouts were forbidden<sup>19</sup> and organizers and participants were subject to penalty of a fine.<sup>20</sup> A further precondition to work stoppage was a strike vote<sup>21</sup> which, like the vote on the conciliation board's recommendations, was held on a unit basis. This meant that each group of employees certified as a "unit" under the ICA Act had to have its votes counted independently of the larger bargaining entity. Thus, if one plant accepted the recommendations or rejected a strike vote it would be forbidden to strike, even where a large proportion of the coast bargaining membership decided otherwise.

In January, 1947, the IWA requested re-opening of the 1946-1947 contract for a wage adjustment.<sup>22</sup> The union was successful during this period in opening contracts in the Pacific Northwest for re-negotiation of the wage package.<sup>23</sup> The employers' bargaining agent, rejected this

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<sup>18</sup>Sections 31A, 31B, *I.C. & A. Act of 1947*.

<sup>19</sup>*Ibid.*, Sections 27(b), 31.

<sup>20</sup>*Ibid.*, Section 35.

<sup>21</sup>*Ibid.*, Sections 31A, 31B.

<sup>22</sup>*British Columbia Lumber Worker*, January 28, 1947.

<sup>23</sup>Harold M. Levinson, *Determining Forces in Collective Wage Bargaining* (New York: John Wiley and Sons, 1966), p. 105.

request in February.<sup>24</sup> Wages were to be based upon the contract and the contract was not going to be re-opened during its life.

Negotiations between the IWA and Stuart Research Ltd. were being carried on as the new provincial labour legislation was being proclaimed. After an initial proposal of no wage change, the employers offered 10 cents -- while the union sought 20 cents with union security.<sup>25</sup> Eighty per cent of the employers rejected this offer and 68 per cent voted in favor of striking should it be necessary. The New Westminster local, however, rejected the strike proposal.<sup>26</sup>

The previous year's strike had dissipated some of the aggressiveness of the union. This lack of militancy was increased by the failure of the New Westminster local to gain from its membership the right to strike. Also, and perhaps most importantly, was the fear and suspicion of the conciliation provisions of the new *Industrial Conciliation and Arbitration Act*. A conciliation officer was appointed under the new Act. During his 14-day term the parties reached agreement on a wage package calling for an increase of 12½ cents per hour to 95 cents per hour, with no union security. By an early settlement the uncertainties of a provincial conciliation board were avoided.

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<sup>24</sup>British Columbia *Lumber Worker*, February 11, 1947.

<sup>25</sup>*Ibid.*, May 5, 1947.

<sup>26</sup>*Ibid.*, June 30, 1947.

One of the criticisms of the 1947 ICA Act was the long period of time required to exhaust conciliation procedures. The time limits in each stage had been taken from the wartime Order-in-Council P.C. 1003. Up to 75 days could be required to complete the procedures from the notice of intention to bargain to the final vote on recommendations. The discretionary powers granted to the labour board could allow even longer periods to pass.<sup>27</sup> The ICA Amendment Act of 1948<sup>28</sup> substantially reduced the time period required. In addition, the 1948 Act added a section to the ICA Act, requiring the employees to vote on each new offer of the employer.<sup>29</sup> Also, the provincial labour board was given the authority to cancel the certification of any employee organization involved in an illegal stoppage.<sup>30</sup>

Bargaining for the 1948 contract began either on April 29<sup>31</sup> or on May 3,<sup>32</sup> shortly after the passage of the 1948 Amendment to the 1947 ICA Act. Negotiations continued for approximately two months. The union

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<sup>27</sup>Stuart M. Jamieson, "Labour Disputes Settlement in the Construction Industry of British Columbia 1948-1954," in H. D. Woods (Ed.), *Patterns of Industrial Dispute Settlement in Five Canadian Industries*, (Montreal, Que.: McGill University, 1958), p. 249.

<sup>28</sup>Statutes of British Columbia, 1948, Chapter 31.

<sup>29</sup>*Ibid.*, Section 50, adding Section 31(c) to the *I.C. & A. Act of 1947*.

<sup>30</sup>*Ibid.*, Section 72, adding Section 60B(2) to the *I.C. & A. Act of 1947*.

<sup>31</sup>J. E. Vaselenak, "British Columbia Logging and Lumber Industry 1946-1953," in H. D. Woods (Ed.), *Patterns of Industrial Dispute Settlement in Five Canadian Industries*, (Montreal, Que.: McGill University, 1958), p. 345.

<sup>32</sup>*British Columbia Lumber Worker*, May 5, 1948.

had consistently sought a 35 cent increase. At first the employers offered no increase, but over the period of negotiations finally countered with 10 cents. The union was able to get a 95 per cent rejection vote by the membership for the 10 cent offer, after which the employers offered 11 cents.<sup>33</sup> The conciliation officer, William Fraser, was appointed July 21, but on August 4 reported failure to bring the parties together.<sup>34</sup> The IWA sought a conciliation board<sup>35</sup> which was appointed on August 16. Its chairman was Justice H. I. Bird.<sup>36</sup> The board reported its recommendations on September 19. It unanimously recommended a 13 cent increase on a 95 cent base, retro-active to July 12. The recommendations were accepted by the parties and a contract was signed.

The following year, 1949, coast forest negotiations began on June 16.<sup>37</sup> The IWA team sought a 13 cent increase in the basic \$1.08 hourly wage. FIR,<sup>38</sup> was seeking to return to the 1947 wage rate, a net decrease of 13 cents per hour from the negotiated 1948 wage rate. A conciliation officer was appointed July 2,<sup>39</sup> but was unable to bring the parties to agreement. A conciliation board was appointed on July 30. Its report on August

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<sup>33</sup> British Columbia *Lumber Worker*, July 14, 1948.

<sup>34</sup> *Ibid.*, August 4, 1948.

<sup>35</sup> *Ibid.*, July 21, 1948.

<sup>36</sup> *Ibid.*, September 22, 1948.

<sup>37</sup> *Ibid.*, June 23, 1949.

<sup>38</sup> Stuart Research changed its name to Forest Industrial Relations (F.I.R.) on February 10, 1949.

<sup>39</sup> British Columbia *Lumber Worker*, July 15, 1949.

18 recommended no wage change and bore only the signatures of the chairman and the employers' nominee.<sup>40</sup> The recommended settlement was accepted by the employers, but was not acceptable to the union. A conference, arranged between the parties by the labour relations board on the eve of an employee strike vote, resulted in eventual settlement without a wage increase.<sup>41</sup> The parties agreed to have the collective bargaining contracts expire on June 15 of subsequent years.

During the 1949 recession, lumber prices were particularly hard hit with declines in profits and prices. The negotiated wage rate for 1949 was also unchanged within the Pacific Northwest region of the United States where the IWA had a large membership.<sup>42</sup> The lack of a wage increase was not a serious defeat for the union bargainers. It is quite obvious, however, that the union nominee and the union negotiating committee could not have been expected to openly approve of a contract calling for no wage increase. This was particularly true because the recent attempted breakaway by the Communist leadership in 1948 had not been completely settled by early 1949.

The 1950 bargaining began with the IWA seeking 17 cents per hour in base pay increases and a union shop. Equally important was a strong "no contract, no work" position. This implied that the workers would cease work on the June 15 expiration of the existing contract,

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<sup>40</sup>British Columbia *Lumber Worker*, August 20, 1949.

<sup>41</sup>*Ibid.*, September 8, 1949.

<sup>42</sup>Levinson, *op. cit.*, p. 104. See also Appendix II.



even if the process of collective bargaining had not produced a new agreement.<sup>43</sup> Bargaining had reached a deadlock on April 24. Both parties had maintained their original positions, and applied to the provincial government to have the first level of conciliation, the conciliation officer, waived. They wished to proceed to a conciliation board without delay. The request of the parties was rejected.<sup>44</sup> A conciliation officer was appointed on May 1. His recommendation, after one meeting with the parties, was that the dispute go directly to a conciliation board.

The board was appointed on May 5. It held hearings from May 18 to 22 and on May 25 it was able to issue a unanimous report, recommending a nine cent wage increase and a maintenance-of-membership clause.<sup>45</sup> The employers accepted. The employees rejected the proposal, however, voting 86 per cent in favor of striking for a larger settlement.<sup>46</sup>

The Labour Relations Board intervened in the process on June 12, only three days before the contract expired. The board acted as an extra-level mediator, applying pressure to both sides. The parties finally reached an agreement during this period; increasing wages an additional three and one-half cents per hour (over the recommended nine cents) to 12½ cents per hour, for a base rate of \$1.205.

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<sup>43</sup>British Columbia *Lumber Worker*, March 23, 1950.

<sup>44</sup>*Ibid.*, April 27, 1950.

<sup>45</sup>*Ibid.*, May 25, 1950.

<sup>46</sup>*Ibid.*, June 15, 1950.

The Korean war boom and rapid inflation placed pressure on the wage levels of the 1950-1951 contract. The IWA sought to open the wage provision of the contract in January, 1951.<sup>47</sup> The employers assented to re-negotiation of the contract in light of rapid price increases during the period. A new contract was reached to extend until June, 1952, thus extending one full year beyond the existing expiration date. The agreement provided for an increase of nine cents in the old \$1.205 base rate.<sup>48</sup> The parties reached the new contract agreement without state intervention.

The 1952 negotiations began on April 22. The parties negotiated for 10 days but with little success. The union sought an increase of 35 cents, while the employers went for a reduction of 12½ cents per hour. R. G. Clements was again appointed the conciliation officer for the negotiations on May 8.<sup>49</sup> On the conciliation officer's recommendation, a conciliation board was appointed on May 29. On May 30, the IWA District newspaper, the British Columbia *Lumber Worker*, attacked the slowness of the proceedings. Comparisons were drawn between the 1950 negotiation timetable and the considerably slower 1952 procedure. The union, the editorial claimed, would insist that "no contract, no work" would force a stoppage on June 15.

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<sup>47</sup>British Columbia *Lumber Worker*, January 18, 1951.

<sup>48</sup>The 1951 and 1952 contracts contained cost of living elements. These were deleted in 1953.

<sup>49</sup>British Columbia *Lumber Worker*, May 16, 1952.

On June 7 the time limit for the conciliation board's recommendations expired without a report having been made. The Labour Relations Board at first rejected an application for an extension of time by the board chairman. The Labour Relations Board later did, however, grant the conciliation board an extension of time. The union nominee issued a minority dissenting report on June 7 before an extension was allowed. The majority report of the conciliation board was issued on June 10. It suggested no change in the base wage rate and bore the signature of the chairman and the employer nominee.<sup>50</sup>

The IWA rejected the recommended basis for settlement and sought a strike vote. The Labour Relations Board endeavoured to bring the parties to an agreement. Meetings with the Labour Relations Board extended through June 13-14, but were unsuccessful.<sup>51</sup> A strike commenced on June 15 before the full formal procedure of rejecting the conciliation board's recommendation and taking a strike vote had been completed. Thus the strike was technically illegal. The work stoppage was effectively complete within the striking units. The employers did not seriously attempt to continue operations by bringing in replacement workers.

The strike continued for 30 days without any major concession from either side. On the request of both parties, Chief Justice Sloan acted as mediator. During this period of mediation the union low-

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<sup>50</sup> British Columbia Department of Labour, *Annual Report*, (Victoria, B.C.: 1952), p. E. 94.

<sup>51</sup> Vaselenak, *op. cit.*, p. 343.

ered its demand to an increase in the base rate by six cents per hour and a union security clause. FIR had increased its offer to five cents per hour without union security. The parties could not reach an agreement. On July 22, Chief Justice Sloan proposed terms for a settlement, recommending an increase of 5½ cents an hour for a total base rate of \$1.35 per hour and a rejection of union security. His rationale for the rejection of demands for increased union security was based upon the illegality of the existing strike. He ruled that an illegal strike should not be able to produce gains to the union that brought it about.<sup>52</sup>

Anxious to end the long and hard strike, the union then accepted the terms. A majority of the employers also accepted.<sup>53</sup> Informal speculation by parties who chose not to be identified, is that the 16 companies that refused to accept saw the strike as a potential opportunity to weaken the IWA. The speculation continues that the firms were dissuaded from forcing the union to settle on their terms by Chief Justice Sloan. He argued that a severe blow to the union would serve only to stir up the radical elements in the union and thereby increase labour difficulties. The strike was finally settled on the terms recommended on July 29. The strike had lasted 39 days and had incurred in excess of one million man days of labour lost.<sup>54</sup>

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<sup>52</sup>Report of Justice Sloan, quoted in FIR Conciliation Board Rebuttal Brief (unpublished briefs, Forest Industrial Relations, Vancouver, B.C., 1958).

<sup>53</sup>Vaselenak, *op. cit.*, p. 344.

<sup>54</sup>British Columbia Department of Labour, *Annual Report*, (Victoria, B.C.: 1953), G 98.

Direct negotiations between the parties in 1953 began on April 15. The union sought a 15 cent per hour base rate wage increase and the employers offered no change in the existing rate. After negotiating into May, a conciliation officer was appointed on May 4. He was unable to bring the parties to a settlement and recommended a conciliation board on May 15. A board of conciliation was appointed with F. J. Lynn as chairman. The board issued a unanimous recommendation for settlement on July 4. The conciliation board suggested a five cent increase in the basic rate and the incorporation of cost-of-living gains, registered in the 1952 contract, into the base rate for 1953, for a new base rate of \$1.49 per hour.

The IWA accepted the terms of the board. When 35 of the employers resisted settlement,<sup>55</sup> the IWA requested a strike vote against the employers who had rejected the settlement terms. After three weeks, on July 28 the recalcitrant employers accepted and the agreement was concluded.

The Labour Relations Board in 1953 was reduced from full to a part-time basis for reasons of economy.<sup>56</sup> Until then the board had often served as a third level mediator (after a conciliation board recommendation was rejected) when a work stoppage seemed imminent. The board does not appear to have offered particular recommendations,<sup>57</sup> but instead used its

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<sup>55</sup>Vaselenak, *op. cit.*, p. 344.

<sup>56</sup>Jamieson, "Labour Dispute Settlement in the Construction Industry of British Columbia, 1948-1954," *op. cit.*, p. 259.

<sup>57</sup>Vaselenak, *op. cit.*, p. 369.

wide powers of discretion over the area of labour relations as a goad to bringing the parties to agreement.<sup>58</sup> This coercive function of the Labour Relations Board met with considerable resistance from labour.<sup>59</sup> There was also much doubt as to the ultimate ability of the board to function effectively as a mediator.<sup>60</sup> Perhaps most important to the proposed elimination of the Labour Relations Board as a mediating agency was the feeling of the provincial Department of Labour that the board's subsequent interventions had the effect of neutralizing the earlier stages in the statutory mediation process.<sup>61</sup>

The ICA Act of 1948 and its 1948 Amendment were law until April 1954 when it was replaced by the Labour Relations Act. During its life the statute applied to six<sup>62</sup> contract negotiations between the IWA and FIR. During this period the parties adjusted to functioning under provincial labour statutes after the federal control which had existed during World War 2 and the peace-time transition year of 1946.

The period under the ICA Act saw a steady increase in union demands upon the system. This is not measured in terms of absolute dollar

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<sup>58</sup>Jamieson, "Labour Dispute Settlement in the Construction Industry of British Columbia, 1948-1954," *op. cit.*, p. 250.

<sup>59</sup>*Ibid.*

<sup>60</sup>Vaselenak, *op. cit.*, p. 349.

<sup>61</sup>*Ibid.*, p. 368.

<sup>62</sup>The contract renewal of 1951 was unique. It resulted from a contract re-opening and was not subject to the statutory bargaining processes. For these reasons, it is not included as a contract negotiation under the statutes.

demands nor in demands that are not economically realistic. The union militancy was characterized by a refusal to accept the conciliation board's suggested settlements. There was an increasing partisanship within the conciliation process of union nominee's dissent.<sup>63</sup>

The 1947 agreement was reached before a conciliation board became necessary. Both the effects of the long 1946 strike, and the uncertainty of the results of conciliation under the new provincial act, tended to induce a mutual willingness to settle the negotiations. The 1948 negotiations did proceed to a conciliation board. Its report was received without dissent, however, and was quickly accepted by the parties. The dissension then began. The 1949 conciliation board report was issued with the union nominee dissenting. The union accepted the terms of recommendation as a settlement only after the Labour Relations Board had brought the parties together on the eve of a strike vote by the union. The following year the union was able to gain 3½ cents above and beyond the board's recommendations through dissent and strike threats. This was done in the face of a unanimous report through the intervention and mediation of the Labour Relations Board.

The effectiveness of the recommendations was diluted through the ability of the board and bargaining under the Labour Relations Board's final-hour interventions. In the 1952 negotiations, expectations were raised on the union side that additional gains could be made beyond the

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<sup>63</sup>To the degree that the recommendations are partisan in favor of the employer, union behaviour would not be militant. For the analysis here it is assumed that the recommendations are neutral or non-partisan.

recommendations of the conciliation board. The union expected more. There may well have been a strong feeling on the part of the employers to reassert their own position which had been undermined by the 1950 compromise. The 1952 strike was at least partially a consequence of the parties' failure to reach accommodation through the existing system. At that time it was felt that the Labour Relations Board, in acting as an additional stage of mediation, had contributed to the heightened partisanship which existed at the conciliation board stage. This was quite likely the real, if unstated, reason for the reduction of the Labour Relations Board's status from a full-time to a part-time body.

The negotiations of 1953 resulted in conciliation board recommendations which were immediately accepted by the union. The difficulty of the 1952 strike can be cited as one reason for the lack of union militancy in 1953. The resistance of the minority of the employers to the recommendations of the board would also suggest that the recommendations were favorable to the union. A combination of these two factors may be the real explanation of the union's quick acceptance of the suggested settlement terms.

The basic pattern of the bargaining under the ICA Act was a steady deterioration in the uneffectiveness of the process in suggesting a settlement package acceptable to the parties. (See Table I, p. 90). Several reasons may underlie this fact. First, the early years of the period were prosperous for the industry. The ability of the industry to pay its workers large wage increases may have stimulated agreement where the later, less prosperous period generated friction and conflict through



greater resistance to wage increases. Thus, the deterioration in the relations between the parties can be seen as the result of simple market forces rather than behavior influenced by the bargaining process itself.

The second explanation for the deterioration of the relationship of the parties was based upon the nature of the bargaining process. As the parties became familiar with the stages of conciliation, they tended to include them in their bargaining techniques. The conciliation board's recommendations were no longer an end but a means to an end. The recommendation was used as a starting point to be taken into further negotiations before the Labour Relations Board. This progression resulted in the negotiations reaching the Labour Relations Board at or near the deadline for contract settlement, while the parties were still in wide disagreement over the terms of settlement. The Labour Board was not suited to be an effective agency for recommending settlements on a regular, predictable basis. Consequently, the process of accommodation was destined to be increasingly ineffective and eventually to result in failure, as in 1952.

It has been argued that the elaborate conciliation procedures of the ICA Act lessened the danger of work stoppages to both sides in a dispute. This may have encouraged each side to hold out for more or to concede less than it otherwise might have. Each side would feel less inclined to compromise. The expectation would be that boards of conciliation or the Labour Relations Board might be able to force a settlement to preventing work stoppages over small disagreements. "Over a period of years this system may have (had) the effect of en-

couraging a pattern of bargaining and conciliation that would develop into a prolonged and extensive shutdown, rather than a large number of small shutdowns."<sup>64</sup>

These theories all explain the behavior of the parties through heavy reliance on the technique of the Labour Relations Board in serving as a third level of state-supported bargaining. To the degree that the parties recognized that the final settlement would be determined by the negotiations held before the Labour Relations Board, the value of the conciliation board's recommendations was lost. Its recommendations ceased to serve as a compromise solution, but instead became an intermediate step in the bargaining process. If the parties had differing expectations in regards to the role of the conciliation board's recommendations in determining the final settlement, added conflict was generated. The employers were determined to force the board recommendations upon the union in 1952, to reassert the importance of the recommendations, and to "teach the union a lesson" for its aggressiveness.

The ICA Act's procedural system can be said to have been bypassed by the last minute mediation practices of the Labour Relations Board. While this board functioned as a third level of bargaining, recommendations had no final conflict-reducing effect. So long as the parties could predict with certainty that the conciliation board was not the last

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<sup>64</sup>Jamieson, "Labour Dispute Settlement in the Construction Industry of British Columbia, 1948-1954," *op. cit.*, p. 258. The quoted analysis deals with the construction industry during the same period. Construction, which bargains in smaller units, would be better able to generate "small" shutdowns.

step in the bargaining process, the board could not serve to bring the parties together. In a real sense the devices of the act were not given a chance to operate. Within an industry as important as forestry, the parties could be certain that the Labour Relations Board would intercede before a work stoppage commenced.

#### B. 1954 To 1961

Organized labour in British Columbia had opposed the passage of the ICA Act in 1947. The objections to this act were met to a large degree by the speeding up of the conciliation process in the ICA Amendment Act of 1948, and the reduction of the Labour Relations Board from a full-time to a part-time body in 1953. Labour had become accustomed to the existing process. It actively opposed the government's introduction of a new labour statute to replace the ICA Act. Labour urged retention of the existing act with the enactment of amendments as necessary to meet criticisms.<sup>65</sup>

The Labour Relations Act of 1954 was enacted on April 14.<sup>66</sup> It preserved the two-stage conciliation pattern of the earlier amended act. The new act included some additional provisions which had originated in the anti-labour Taft-Hartley Act<sup>67</sup> of 1947 in the United States and had

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<sup>65</sup>Jamieson, "Labour Dispute Settlement in the Construction Industry of British Columbia, 1948-1954," *op. cit.*, p. 250.

<sup>66</sup>Statutes of British Columbia, 1954, Chapter 17.

<sup>67</sup>Labour Management Relations Act, Tit. 29 U.S. Code 141 *et. seq.*

been carried over into the Industrial Relations and Disputes Investigation Act<sup>68</sup> of the Canadian government in 1948.<sup>69</sup> While these provisions did not directly affect the bargaining process, they help explain the resistance of labour to the new act.

The major statutory change made in the 1954 act which directly concerned the coast bargaining were involved not with the bargaining process but with the procedures following the end of mandatory conciliation, and the timing of the start of the process. The timing and duration of the individual stages of negotiation remained the same. The entire process could be initiated three months before the expiration of the contract<sup>70</sup> rather than the two months allowed under the old act. The intent of this alteration was to allow more time for the process so that "no contract, no work" issues could be avoided.

Two additions were made to the procedures involved in gaining the right to use the strike. Any strike or lockout vote could support a work stoppage only within three months of the voting.<sup>71</sup> The parties could not gain one strike vote early in the bargaining session and use it as a threat for an unlimited period of time. Second, in all cases,

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<sup>68</sup>11-12 George VI, Chapter 54, assented to June 30, 1948.

<sup>69</sup>For example, the British Columbia 1954 act excluded supervisors from the definition of employee. This had first been done in the U.S. in 1947, and was adopted by the 1948 Federal Canadian Act.

<sup>70</sup>Section 17, *The Labour Relations Act*.

<sup>71</sup>*Ibid.*, Sections 50(2)(a) and 51(2)(a).

48 hours notice had to be served on the other disputant before any strike could be commenced.<sup>72</sup> This notice was an independent precondition to a work stoppage. Its obvious intent was to create a "cooling off" period before any strike, in which the parties could bargain with full awareness of the impending action. It prevented sudden stoppages which did not allow "eleventh hour" negotiation by parties who were aware that a strike deadline existed. With these new restrictions on strikes, the act increased penalties for illegal strikes.<sup>73</sup>

The union approached the 1954 negotiations fully conscious of their difficult position. The economic climate in the lumber industry on the Pacific Coast was unhealthy.<sup>74</sup> The Labour Relations Act was about to be enacted, over labour opposition, with its new stiff provisions against illegal strikes. The employers had shown increasing resistance in the 1952 and 1953 negotiations, with a certain element opposing compromise with the union.

Facing these difficulties, the union, in its wage conference, decided to bargain for holidays and union security rather than for a wage increase.<sup>75</sup> The talks opened on April 15, but collapsed on April 29 over

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<sup>72</sup>Sections 50(2)(b) and 51(2)(b), *The Labour Relations Act*.

<sup>73</sup>Stuart M. Jamieson, *Industrial Relations in Canada* (Toronto: MacMillan of Canada, 1957), p. 112.

<sup>74</sup>Levinson, *op. cit.*, p. 111. See also Appendix II.

<sup>75</sup>*British Columbia Lumber Worker*, First Issue, March 1954.

the issue of union security.<sup>76</sup> R. G. Clements was appointed conciliation officer under the recently-enacted Labour Relations Act.<sup>77</sup>

The union negotiation committee then had to decide if it should accept the FIR offer, which was less than the union desired, or go into a conciliation board hearing. The feeling of the leadership was that the immediate offer might well be superior to the possible recommendation of a conciliation board. Conciliation boards had not been willing to increase union security terms beyond those already in existence. The union was also aware that there would be no further mediation process imposed upon the parties as in the former Labour Relations Board meetings. The union accepted the FIR offer and the locals accepted a no-wage increase contract by a vote of 74 per cent.<sup>78</sup>

The opening date of the 1955 negotiations was one month earlier than the usual April 15 date.<sup>79</sup> The provisions allowed institution of the bargaining process one month earlier than under the former act. The Labour Relations Act had not gone into effect early enough in 1954 to control that year's negotiations. On April 7 talks were broken off by the union which requested a conciliation officer.<sup>80</sup> The union sought a base rate increase of 10 cents. This the employers resisted.

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<sup>76</sup>British Columbia *Lumber Worker*, First Issue, May 1954.

<sup>77</sup>British Columbia Department of Labour, *Annual Report*, 1954, p. H 72.

<sup>78</sup>British Columbia *Lumber Worker*, Second Issue, May 1954.

<sup>79</sup>*Ibid.*, First Issue, April 1955.

<sup>80</sup>*Ibid.*, First Issue, June 1955.

Lack of progress in the negotiations then forced the conciliation officer to recommend a conciliation board.

The board was appointed on May 26 and reported on June 22.<sup>81</sup> Its unanimous report gave the union a 10 cent wage increase by granting five cents per hour increases on the \$1.49 cent base over a two-year period. The contract was to run until June 15, 1957.<sup>82</sup> The parties accepted these terms. The recommendations formed the basis for the first two-year contract in the bargaining relationship.

No opening of the contract occurred in 1956. The expected five cent increase went into effect raising the wage from \$1.54 to \$1.59, on June 15, 1956 as per the contract signed in June of the previous year. In 1957 the union sought a 20 per cent increase in wages and was opposed by FIR. The negotiations which had begun in mid-March became stalemated in early April. On April 11, R. G. Clements was appointed as conciliation officer, but was unable to bring the parties to a settlement and recommended the appointment of a conciliation board, which was appointed.<sup>83</sup> Its chairman was former Attorney General Gordon Wismer. On June 1 Wismer issued the board's report of recommendations which was signed by the chairman and the employer nominee. It called for no wage change over a

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<sup>81</sup>British Columbia Department of Labour, *Annual Report*, 1955, p. F 88.

<sup>82</sup>Conciliation Board report in British Columbia Department of Labour, *Summary of Activities*, Volume 2, No. 25, for the week of June 18-25.

<sup>83</sup>British Columbia *Lumber Worker*, First Issue, May 1957.

two-year contract period, and suggested that no wage changes could be justified "at the present time." Nonetheless, it suggested that further hearings be held in September, 1957.

Until that time the recommendation was that the parties continue operating under the old agreement.<sup>84</sup> The employee or union nominee issued a bitter minority report. This claimed that the majority report was illegal in that it had attempted to prolong the hearings beyond the time limits provided in the Labour Relations Act.<sup>85</sup>

The union voted 95 per cent in favor of rejecting the recommendations. Strike action was threatened.<sup>86</sup> The parties were then brought together for talks through the offices of the Premier. It has been indicated that tremendous pressure was put upon the parties, particularly the employers, to reach an agreement. The settlement was reached before conciliation hearings were to reconvene. It provided for a 13 cent hourly increase in the base rate to \$1.72, or a 7½ per cent increase in wages, whichever was greater, and a modified union shop.<sup>87</sup> The contract was to extend for one year.

In these negotiations it was likely that the conciliation board recommendations worked to the detriment of the employers. The suggested delay in any increase in wages to some later indeterminate

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<sup>84</sup>British Columbia Department of Labour, *Summary of Activities*, Volume 4, No. 22, June 1, 1957.

<sup>85</sup>British Columbia *Lumber Worker*, Second Issue, June 1957.

<sup>86</sup>*Labour Gazette*, 1957, p. 792.

<sup>87</sup>*Loc. cit.*, and see Appendix I.



date created a tremendous hostility within labour ranks. It seems most probable that the final wage package was higher than it would have been if a board recommendation had called for at least a four per cent increase. The passions of the union over principle and wages may have convinced the government that any work stoppage would be protracted and difficult. This would increase the state pressure upon the employers to produce a compromise to prevent a strike.

The year 1958 was a bad one for the forest industry. Adding to the general low level of economic activity was a record drought. The dry condition forced large-scale closure of the forest areas owing to the extreme fire hazard.<sup>88</sup> Negotiations opened on March 17, 1958 and extended until April 3. R. G. Clements was again appointed as a conciliator<sup>90</sup> but proved unsuccessful in effecting agreement. A conciliation board was appointed on April 15 and reported on May 30.<sup>91</sup> The Chairman, G. S. Allen, Dean of Forestry, University of British Columbia, and the employer nominee, signed the report. The union nominee dissented. The recommendations stipulated no change in the existing base wage rate of \$1.72.

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<sup>88</sup>Stuart M. Jamieson, "Regional Factors in Industrial Conflict," *Canadian Journal of Economics and Political Science*, Volume 28, No. 3 (August, 1962), p. 415.

<sup>89</sup>British Columbia *Lumber Worker*, Second Issue, April 1957.

<sup>90</sup>*Ibid.*

<sup>91</sup>*Ibid.*, First Issue, June 1957.

The union had sought a 10 per cent increase. It did not immediately proceed to a strike vote but sought further conciliation. William Fraser, head of the Department of Labour's Conciliation Branch, served as a mediator from July 7 to July 17. The IWA took a strike vote at this time. The vote was split, virtually crippling any bargaining power the union possessed. The union persisted in its requests for mediation. Justice Sloan acted as a mediator from July 31 to August 17. Sloan's recommendations produced only a few fringe gains for the union. The recommendations, however, served as the basis for a one-year contract. The union accepted the terms of the settlement because it felt that any strike at the time would be difficult and unpopular. The employers were unprepared to accept any larger increases but accepted extended mediation so as to avoid creating a situation wherein the union could generate support for a strike for higher wage increases.<sup>92</sup>

In 1959 the cyclically-sensitive lumber industry made a strong recovery from the 1958 recession.<sup>93</sup> The negotiations began on March 16 and extended until the 26. The IWA was seeking a 20 per cent wage gain. R. G. Clements was once again appointed conciliation officer for the bargaining negotiations.<sup>94</sup> The conciliator's meetings with the

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<sup>92</sup>The step-by-step development of these negotiations is covered in the July and August issues of the fortnightly IWA British Columbia *Lumber Worker*, 1958.

<sup>93</sup>Levinson, *op. cit.*, p. 118, and Appendix II.

<sup>94</sup>Vancouver *Province*, May 20, 1959.

parties extended from April 5 into May. It was the expectation of the parties that he was to serve a recommending function.<sup>95</sup> His recommendations would allow the parties to skip the conciliation board stage of the compulsory bargaining procedures. The conciliation officer ended his term on May 30. He did not file recommendations. Labour Minister Lyle Wicks stated that recommendations were not made because the parties "had not bargained in good faith."<sup>96</sup> A conciliation board was then appointed in the last week of May to hold hearings in June.<sup>97</sup>

The union was displeased at the necessity to go through the conciliation board hearings. Its brief claimed that the hearings were a result of the "bad faith and broken promises" of the provincial government in refusing to allow the conciliation officer to make any recommendations. Dean G. F. Curtis of the U.B.C. Law School was chairman of this conciliation board. The majority report of the board, signed by the chairman and the employer nominee, called for a two-year contract with a seven cent increase in the first year and five cents in the second year.<sup>98</sup> This had been the substance of the employers' last offer to the union in negotiations. The labour nominee signed a minority report suggesting an increase of 26 cents, a figure near the last union request during negotiations.<sup>99</sup>

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<sup>95</sup>Vancouver *Province*, May 21, 1959.

<sup>96</sup>*Ibid.*, July 7, 1959.

<sup>97</sup>British Columbia Department of Labour, *Summary of Activities*, week of May 23-30, 1959.

<sup>98</sup>Vancouver *Province*, July 7, 1959.

<sup>99</sup>*Loc. cit.*

The union held a strike vote on June 26 and on June 28 set July 6 as a deadline for the contract to be settled. Premier W. A. C. Bennett and Labour Minister Wicks were both involved in last-minute talks designed to bring the parties to a settlement before the deadline. The talks were unsuccessful and ended with a strike on July 7.<sup>100</sup>

The strike successfully brought production to a stop. No serious attempts were made by the employers to operate during the strike, which extended to mid-August. On August 18, the government appointed economist John Deutsch as an Industry Inquiry Commissioner to try to bring the parties to a settlement. The union at this stage had been asking for 21 cents in increases over a one-year contract.<sup>101</sup> Deutsch recommended a settlement of 20 cents, spread equally over a two-year period, i.e., 10 cents each year on the \$1.72 base.

Both sides to the dispute were split over the terms of the proposed settlement. IWA's militant local leader Syd Thompson urged rejection<sup>102</sup> even though the majority of the employees were in favor of ending the strike at the offered terms.<sup>103</sup> The employers were reported to have split roughly according to the size of companies. The smaller members were in favor of accepting the settlement, the larger were divided in

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<sup>100</sup>*Vancouver Province*, July 7, 1959.

<sup>101</sup>*Ibid.*, September 11, 1959.

<sup>102</sup>*Ibid.*, September 5, 1959.

<sup>103</sup>*Ibid.*, September 9, 1959.

opinion.<sup>104</sup> Terms of the recommendation were accepted by the parties on September 14 and became the substance of the new contract.<sup>105</sup>

The strike had involved the entire industry in a work stoppage running from early July into September. Well over 1,000,000 man days of labour were lost through the dispute. The daily *Province* reported the strike as the "Strike Nobody Expected."<sup>106</sup> The passion generated by the misunderstanding of the conciliation officer's role in the negotiations was intense. The protests of the union in its submissions to the conciliation board demonstrated that the union felt the board hearings were unfair. The chairman, in signing a majority report with the employer nominee, may have done the only thing that he could to submit a report. This endorsement of the employers' position by the board only added to the union's conviction that a work stoppage was necessary to reassert the union's position.

The Deutsch hearings and eventual recommendations provided the first settlement proposal free from a charge of bias. The recommendations represented a compromise to both parties. The divided opinions concerning acceptance of the proposals that came from both sides demonstrated neither side was happy with the offer. It cannot be said with certainty that the Deutsch recommendations would have settled the dispute without a work stoppage. The pressure generated by the long strike

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<sup>104</sup>*Vancouver Province*, September 9, 1959.

<sup>105</sup>*Ibid.*, September 15, 1959.

<sup>106</sup>*Ibid.*, July 7, 1959.

served as a stimulus to both sides to accept the settlement. The hostility and misunderstanding generated by the appointment of a conciliation board when it was not expected must be seen as having contributed to the difficulty of the dispute. If the media considered the work stoppage as a "strike nobody expected," it is quite likely that the conciliation process itself had a large part in bringing the strike on in 1959. Generally the media are quick to discover and report sentiment among the union forces that a stoppage is possible or likely. Its unexpectedness can be seen as an indication that the economic situation was not so bad that a conflict was inevitable because of inability of the industry to grant an increase. The usual behavior that the parties exhibit when they feel they may have to strike to force an issue was lacking. Absence of such sentiment in the 1959 bargaining would tend to indicate that a work stoppage was not anticipated by the parties during the early negotiations.

#### C. Summary: 1954 - 1961

Two changes from the earlier ICA Act period were made in the process of compulsory conciliation under the Labour Relations Act. First, the process was started one month earlier in the contract life. Bargaining could be required by one party when three months of the contract remained, instead of the previous two months. The forest bargaining adjusted to this timing change, but the significance of this is discussed later in this chapter.

The second change was the removal, in 1953, of the Labour Relations Board from participation in last-minute negotiation with the par-

ties. This restored the conciliation board as the final step in the compulsory negotiation process. The parties could no longer expect to go a step further, i.e., to the Labour Relations Board, each negotiating year.

The introduction of the two-year contract in 1955, and its use again in 1959, reduced the number of negotiating years to five: 1954, 1955, 1957, 1958 and 1959. The negotiations in 1954 began under the older 1947 Act and were concluded under the rules of the 1954 Act. The uncertainties of this transition may have stimulated the parties to settle without going into a conciliation board hearing. Certainly the union was reluctant to risk recommendations under the new act which it had opposed. This general reluctance had disappeared by the 1955 negotiations. In that year the board was successful in bringing the parties together with the first two-year contract the parties had signed.

The board recommendations in 1957 were unfortunate in two respects. First, the proposed agreement called for no wage increase. In view of the substantial settlement that was eventually achieved, the board's suggestion was well below what could have been expected by the parties. Secondly, and most important, the recommendations called for more hearings at a later date. This had the effect of extending the conciliation process and the bargaining well beyond expiration of the old contract. It was this that prompted the bitter union nominee's minority report, branding the board's report as illegal.

The 1959 compulsory conciliation procedures also contributed to a disagreement among the parties by creating expectations of one procedure, while imposing additional procedures at an unexpected time. The

result of the imposition of a conciliation board, where the parties expected only conciliation officer's recommendations, greatly upset the union. This union suspicion may have forced the chairman to sign with the employer nominee. The rather low recommendations of the majority report added to the union's resistance which led to the 1959 strike.

In 1957 and again in 1959 the government exerted great pressure on the parties, particularly the employers, to reach agreement. This resulted in a settlement in 1957 but failed in 1959. In the 1959 eleventh-hour talks, the contract had already been expired for over three weeks. The demands of the union were inflated as a result of the union having been denied the right to strike earlier through what it felt to be the improper imposition of a conciliation board.

Each of these bargaining sessions revealed a technique used successfully by the union. When the conciliation boards in each year had behaved irregularly, or the union felt that the board was having an unfair impact upon the bargaining, the union would influence its nominee to lodge a bitter dissenting report. Whether by righteous indignation or design, the result of this dissent was that the chairman was forced to sign with the employer nominee. The "employer report" then was used as evidence of the unfair conciliation board. This process was successful for the union in 1957 in gaining added wage increases at a crucial moment from the employers who were under intense government pressure to settle. The technique gained union solidarity and, to some degree, public support for the union position. It can also be said to have been a main cause of the 1959 strike. This period may be seen in perspective in Table I on p. 90.



D. 1961 To 1968

The parties had attempted to utilize Section 45(B) of the Labour Relations Act in the 1959 negotiations. That section allows, with the minister of labour's permission, a conciliation officer to make recommendations having the same force and effect as a conciliation board's recommendations.

The Labour Relations Act Amendment Act, 1961<sup>107</sup> replaced the old provision with a broader one. Not only was it then possible to substitute a conciliation officer for a board, but it was possible to avoid a conciliation board and still not receive recommendations from a conciliation officer.<sup>108</sup> The result of this amendment was to allow the minister of labour considerable discretion in requiring conciliation procedures. The parties could be prevented from anticipating the conciliation procedures that would follow their negotiations.

Two additional legal developments served to change the balance of power within the bargaining relationship. In 1959 the Trade Union Act was passed.<sup>109</sup> It limited the range of activities permissible to a union while on strike, limited the definition of a legal strike and provided sanctions for illegal union activity. The act was feared and actively

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<sup>107</sup> Statutes of British Columbia 1961, Chapter 31.

<sup>108</sup> Labour Relations Amendment Act 1961, Section 26, amending Labour Relations Act, Section 45(B).

<sup>109</sup> Statutes of British Columbia 1959, Chapter 90.

opposed by labour. Following the Trade Unions Act was the *Therien Case*.<sup>110</sup> That case established the principle that a union could be sued in its own name for its wrongful acts. Included in the range of wrongs for which the court provided a remedy were damages resulting from violations of the Labour Relations Act and the Trade Unions Act. This meant that employers or other injured parties could sue the union directly and base their claims on a violation of the labour acts.

These changes in the law made it much more costly for the union to act in violation of the labour legislation. Not only could the government provide for strict penalty, but private parties could also bring actions based upon the existing statutes.

The two-year contract of 1959 was due to expire on June 15, 1961. After the general economic upswing of 1959, the lumber industry was now going through a period of relatively low activity.<sup>111</sup> Negotiations opened on March 15 with the union seeking increases of 12½ cents in the hourly base rate. The parties did not immediately seek conciliation, although either one could have unilaterally requested that a conciliation officer be appointed.

Negotiations continued until April 13.<sup>112</sup> A conciliation officer was then applied for and E. P. Fisher was appointed near the end of

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<sup>110</sup>*International Brotherhood of Teamsters v. Therien*, S.C.R. 264 (1960), 22 D.L.R. (2d) 1, (1960).

<sup>111</sup>Levinson, *op. cit.*, p. 119 and Appendix II.

<sup>112</sup>*British Columbia Lumber Worker*, First Issue, May 13, 1961.

April.<sup>113</sup>

The union had to decide whether it wished to continue negotiating or to seek conciliation board hearings. No increase had been offered by the employers, but the union felt<sup>114</sup> that going to conciliation hearings would risk loss of the health and welfare gains the employers had agreed to. The general feeling was that the board was less sympathetic to new fringe provisions than wage increases. The employees accepted the limited gains by a 69 per cent vote, this suggesting satisfaction with the new contract. The combination of the new labour law, the poor economic conditions and the memory of the long 1959 strike was very effective in reducing the workers' aggressiveness.

In 1962 negotiations extended from March 15 until the week ending April 6, when a conciliator was appointed.<sup>115</sup> E. P. Fisher, again the conciliation officer, was unable to bring the parties together. He recommended that no conciliation board be appointed. On April 27, Minister of Labour Leslie Peterson appointed Dr. Neil G. Perry, Dean of the Faculty of Commerce and Business Administration at U.B.C., as an Industrial Inquiry Commissioner.<sup>116</sup> The advantage of this alternative agency was that it was

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<sup>113</sup> British Columbia Department of Labour, *Summary of Activities*, Week of April 28, 1961.

<sup>114</sup> See May issues of the British Columbia *Lumber Worker*, 1961.

<sup>115</sup> British Columbia Department of Labour, *Summary of Activities*, Week ending April 6, 1962.

<sup>116</sup> *Ibid.*, Week ending June 1, 1962.

not limited in time and was non-partisan.

Dean Perry, reporting to the minister on May 30, recommended a settlement of 16 cents in base pay increases divided equally over a two-year contract on a \$1.92 base.<sup>117</sup> This offer was accepted by both sides in a mid-June referendum vote and became the new two-year contract.<sup>118</sup>

In 1964 the economic situation had improved in the lumber industry and the IWA became determined to make substantial gains. The initial demand of the union was for a 40 cent increase over a one-year contract. Negotiations began in mid-March and halted after less than two weeks. A conciliation officer, E. P. Fisher, was appointed the week ending April 3.<sup>119</sup> He remained with the parties until May 5. On that date the disputants agreed to allow the conciliation officer 30 days additional time to try to gain a mutual agreement. It was decided that if he were unsuccessful by that time he would issue recommendations. These recommendations would take the place of a conciliation board.<sup>120</sup>

The conciliation officer's recommendations called for a two-year contract. Wages the first year were to increase 15 cents and in the second year, 13 cents, for a two-year total of 28 cents over the existing

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<sup>117</sup> British Columbia Department of Labour, *Summary of Activities*, Week ending June 1, 1962.

<sup>118</sup> *Labour Gazette*, 1962, Volume LXII, p. 802.

<sup>119</sup> British Columbia Department of Labour, *Summary of Activities*, Week ending April 3, 1964.

<sup>120</sup> *Vancouver Province*, May 5, 1964, p. 17.

base rate of \$2.08. The IWA leadership believed that the government would not tolerate a strike for higher wages<sup>121</sup> and that a successful strike vote would be difficult to achieve. Hence the IWA negotiating council agreed to recommend the terms to the membership:

Within the region a split formed on acceptance of the recommendations. The regional president, Jack Moore, travelled through the region recommending the settlement. Syd Thompson, head of Local 1-217 and leader of the militant wing of the region, recommended rejection.<sup>122</sup> The official vote was held on June 8, 1964<sup>123</sup> when the terms were accepted by a majority of the employees and by seven of the eight locals concerned. Only the militant Vancouver local rejected the contract.<sup>124</sup>

The effect of the division within the membership was to move the more conservative regional leadership to the left.

It is an unfortunate feature of the situation that moderates in the union, aware of the things that common sense recommends as sound policy for the union to pursue; nevertheless, may feel compelled competitively to about equal the more radical element in aggressiveness and "we-don't-get-along-with-the-boss" attitude. They may do this in order to prove their vigor and merit as representatives of the rank and file of union members.<sup>125</sup>

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<sup>121</sup>Vancouver *Province*, May 26, 1964.

<sup>122</sup>*Ibid.*, May 28, 1964.

<sup>123</sup>*Ibid.*, June 6, 1964.

<sup>124</sup>*Labour Gazette*, August 1964, p. 679.

<sup>125</sup>Editorial, "IWA Deal Subject to Rival Attack," in the British Columbia *Lumberman*, June 1964.

The negotiations in 1966 began March 15. A conciliation officer was appointed the week ending April 1.<sup>126</sup> No agreement was reached under the conciliation officer, who recommended no conciliation board. In May the union took a strike vote of its membership, resulting in a 94 per cent vote in favor of a strike if an agreement could not be reached.<sup>127</sup> Repeating the 1962 pattern, the minister appointed Justice N. Nemetz as an Industrial Inquiry Commissioner on May 25, 1966.<sup>128</sup> The Commissioner met with the parties for direct negotiations and later met with them separately. Although the union negotiators had attempted to keep the membership at work after the contract expired on June 15, dissident elements did stop work.<sup>129</sup> Justice Nemetz remained as commissioner during this period and submitted his recommendations on June 22. These called for a general wage increase of 40 cents to be split into two 20 cent increases over two years on the \$2.26 base rate.<sup>130</sup>

The Nemetz recommendations were accepted by both sides and became the basis of the new two-year contract. The employers were resentful of the manner in which the government added its weight to pressure to reach a settlement acceptable to both parties.

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<sup>126</sup> British Columbia Department of Labour, *Summary of Activities*, Week ending April 1, 1966.

<sup>127</sup> Nemetz Report, June 22, 1966, in British Columbia Department of Labour, *Summary of Activities*, Week ending June 24, 1966.

<sup>128</sup> *Ibid.*

<sup>129</sup> *Ibid.*, Week ending May 27, 1966.

<sup>130</sup> *Ibid.*

For the government to forget its prodding part in a negotiation that ended in what could be discovered to be an ill-timed, ill-advised, and destructively costly wage settlement will not be good enough. . . A more wholesome situation would exist if government stopped far short of "practical compromises to keep the wheels turning" when such interference involves. . . the highest award figures the industry could be induced to swallow under duress of a threatened crippling strike and governmental displeasure.<sup>131</sup>

The 1968 negotiations were influenced by the introduction of Bill 33 into the Legislative Assembly on February 21 by Minister of Labour Leslie Peterson. This bill, later to become the Mediation Commission Act, was violently opposed by labour because of its provisions calling for compulsory arbitration of labour disputes.

In 1968, the parties began negotiation on March 18 and negotiations continued until a conciliation officer was appointed the week ending April 19, 1968. The conciliation officer was unable to bring the parties to a settlement. He issued no recommendations of his own and did not suggest a conciliation board be appointed.<sup>132</sup> While the union had held a strike vote on May 15,<sup>133</sup> and the employers had later served the union with lockout warnings,<sup>134</sup> each party did not wish a work stoppage. The parties both felt that a work stoppage would call the compulsory

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<sup>131</sup> British Columbia *Lumberman*, Editorial, September 1966, p. 10.

<sup>132</sup> IWA Local 1-217, *Barker*, Volume 9, No. 10, May 1968.

<sup>133</sup> *Ibid.*

<sup>134</sup> *Vancouver Province*, June 11, 1968.

provisions of the developing Mediation Commission into play. That act was proclaimed in sections as the machinery of the Mediation Commission was established. The parties reached agreement on wage increases of 18 cents per year for a two-year contract which would bring the base rate from \$2.76 to \$3.12 by June 1969.

While the 1968 negotiations may be said to have been carried out under the Labour Relations Act, the fear of bringing down an application of the unproclaimed sections of the Mediation Commission Act controlled the bargaining. When the government refused to provide a recommending agency the parties were virtually forced to settle on their own without any work stoppage. Although the Mediation Commission Act does not concern this study, the pressures upon all concerned were to avoid a political confrontation through a work stoppage in the forest industry in 1968.

#### E. Summary: 1961 - 1968

The period after the strike of 1959 is notable for its total lack of conciliation boards. The tripartite recommendation agency did not pass from normal usage within the system of provincial industrial relations, but it was consistently avoided within the forest industry.

The 1961 negotiations were resolved without recourse to a recommendation agency as were the 1968 negotiations. These negotiations were held in years in which there was considerable pressure not to strike. In 1968 the Mediation Commission Act had loomed over the negotiations and 1961 was the contract negotiation following the difficult strike year of 1959. In each year there were forces stimulating agree-



ment at an early level.

The years 1962, 1964 and 1966 demonstrate the success of the one-man recommendation body. The recommendations produced by one man tended to reflect a compromise view more consistently than tripartite agencies which were susceptible to internal dissent. The disruptive effect of an award made by a conciliation board chairman and one nominee, generally the employer's, was avoided by a single arbiter.

Despite the success of the negotiations in avoiding official work stoppages, internal dissension within union ranks seemed to grow. When the recommendations were "successful" in the sense of serving as a package acceptable to both parties, the militant elements of the union were dissatisfied. This dissension grew to the point where up to 10,000 workers in the industry were on wildcat strikes during the period of the Nemetz Inquiry Commission after the expiration of the 1964 contract from June 15 to June 22, 1966. The efforts of the IWA negotiating committee were not able to get all the members back to work during that period.

The interest of the state in preserving industrial peace in the forest industry was revealed consistently throughout this period. The tendency seemed to be for the recommendations to reflect the amount expected to be acceptable to the union leadership. The employers were expected to agree to the package under state pressures. When the recommendations are offered by the conciliation officer -- an employer of the state -- this is even more natural. The state had greater power over the employers than over the union to stop any plans to halt production.

The very need of the state to ensure an uninterrupted stream of labour services in certain industries may have led to the passage of the Mediation Commission Act. That act ended the two-stage compulsory conciliation system which was only able to delay rather than prevent the use of the work stoppage as an instrument of negotiation.

TABLE I  
EXTENT OF PROCESS UTILIZATION

CONTRACT YEAR	FIRST STAGE UTILIZED	SECOND STAGE RECOMMENDATION	POST RECOMMENDATION NEGOTIATIONS	STRIKE
1947	X			
1948	X	X		
1949	X	X		
1950	X	X	X	
1952	X	X	X	X
1953	X	X		
1954	X			
1955	X	X		
1957	X	X	X	
1958	X	X	X	
1959	X	X	X	X
1961	X			
1962	X	X		
1964	X	X		
1966	X	X		(partial)
1968	X			

## CHAPTER SIX

### EVALUATION OF THE MODEL

The model of party interaction developed in Chapter Four for the forest bargaining parties may be tested against the actual events given in Chapter Five. The means or strategies used in the actual bargaining may be predicted by the model. If the model is considered to have any explanatory power over the process of compulsory conciliation within the particular industry, it must first demonstrate predictive power. If the predicted forms of party interaction are not found in the actual bargaining, then the model has failed to consider important additional variables among the parties or it has not succeeded in interrelating the variables present. In either case, the model would not be of use in explaining the process of party interaction.

Both the general comments upon compulsory conciliation in Chapter Two, and the industry-specific model of negotiation behavior in Chapter Four, suggest that the existence of the second-stage recommending agency will greatly weaken the effects of earlier contract bargaining and mediation. This appears to be the case. In 12 out of 16 of the regular<sup>1</sup> contract negotiations the bargaining process advanced to the recommending

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<sup>1</sup>The 1951 negotiations are omitted from consideration.

stage without settlement. No agreement was reached before a conciliation officer was introduced into negotiations.

Four contracts of the 16 were reached by settlement between the parties prior to a recommending body being convened. The industry model requires two elements to be present before such an early settlement could be expected. The first would be a feeling upon the part of the union leadership that the last offer of the employers, made before a recommendation agency is convened, is better than that which could be gained by advancing to or beyond the recommending process. The cause of the required distrust of the final result of the process, if continued, is not explained by the model, but its effect is similar to Stevens' model of compulsory arbitration where the perceived dangers of third-party intervention force or allow settlement at an earlier level. There is stimulus to bargain during level one conciliation.

The second element preconditioning early settlement under the forestry model, existence of a union leadership belief that the union membership will be satisfied with the early settlement. There must be some sort of common understanding between the leaders and the rank and file that the choice before the union is between going on with compulsory conciliation or settling at the employer's last offer. The latter must appear to be the better choice to both membership and leadership for the leadership to select it.

On the other side of the bargaining, the employers' offer for early settlement will tend to reflect the value they place upon early settlement. They also, to some degree, must share the view that continued

utilization of the compulsory conciliation procedure will risk some possible harm, more detrimental than the added cost of the offer made to the employees. The more the employers fear the outcome of continued conciliation, the higher their offer will be in the early stages. If they do not fear the outcome of conciliation, there is little reason for their early settlement offers to be high enough to induce the union reaction discussed above.

The four years that involved an early settlement were: 1947, 1954, 1961 and 1968. The year of the initiation of the compulsory conciliation process, 1947, may be seen as not a year in which the parties actually anticipated the later-stages effects with certainty. The process was new and untried. Each party, then, was to a degree uncertain about the consequences of utilizing the entire process and may have been open to bargaining in the early stages. The first negotiating year can be taken as a "learning" year required to familiarize the parties with the process, and not viewed as an "early settlement" year.

The 1968 negotiations are not of great importance to an analysis of the compulsory conciliation process. The political and tactical behavior of the parties to the negotiation in that year was primarily caused by the existence of the pending Mediation Commission Act. The 1968 negotiations could be better viewed as negotiations under Bill 33 or the Mediation Commission Act. The significant influence of the compulsory conciliation process existing under the Labour Relations Act was so negligible as to be excluded from analysis.

The other two negotiation settlements that may be said to

have occurred "within" the compulsory conciliation process were those of 1954 and 1961. Each year was the first experience of the parties under a new provincial labour act or an important amendment of it. These new laws did not significantly effect the conciliation procedures so as to make the bargaining parties fear an unexpected result from the stage-two conciliation process. Both years, however, were difficult economically within the forest industry. In each year the employees had finally accepted a contract calling for no wage increase, but some fringe benefit increases. The fear was expressed each year in the union newspaper that a conciliation board would reject the fringe benefits offered by the employers along with any wage increase, leaving the union below the level of the employers' last offer. There was also a general recognition that a work stoppage would be ineffective in the difficult economic situation so that the recommendations would likely become the contract.

In the three years in which the bargainers were unaffected by a different type of pending labour legislation, excluding, therefore 1968, membership aggressiveness had diminished owing to recent strikes. The three strikes within the post-war coast labour history occurred in 1946, 1952 and 1959. These were close behind the "early settlement" years of 1947, 1954 and 1961. The influence of these strikes may have been to help convince the union leaders that the membership was indeed willing to accept an early settlement rather than face the danger of an additional work stoppage through militant behavior.

The exceptions to the model's general prediction of post-recommendation settlement, then, fall within the anticipated behavior under the model. The circumstances which lead to such early settlements

may occur more frequently than might be assumed. The actions of the parties in early settlement depend upon subjective determinations by the parties of future events and cannot be more accurately predicted without an analysis of how those events are perceived by an analysis outside the scope of this study. For example, the apparent view of the union that a conciliation board will be inclined to be more hostile to granting fringe benefits than wage increases would be of interest. The general strength of the model's general suggestion about the preponderance of late settlements is not challenged by the existing early settlements.

Certain tactics of recommendation bargaining are developed by the model. The employer is constrained to co-operative participation in the compulsory conciliation process. Within wide limits the final recommendations of the conciliation-recommending agency will form the minimum possible settlement for the parties. The employers are faced with the pressures of public opinion and the state, and the expectations of the union membership to agree at least to that amount.

On the basis of this prediction we would expect to see no settlements agreed upon which are below the recommendations issued by the authorized body. Additionally, where the recommending function is composed of members from both parties and a chairman, the employer nominee will rarely if ever dissent from the recommendations. His nominee will be bound to "co-operate" and therefore not dissent.

The record of the actual negotiations shows that recommendations were issued in 12 contract negotiations. In all years the recommendations were met or exceeded by the final settlement. In only one, 1953, was



their widespread public employer dissatisfaction with accepting the recommended level. In that year the recommendations became the settlement when stiff union and state pressure was placed upon the dissenting employers, forcing them to accept the recommendations. In the nine conciliation boards that sat during the period, no employer nominee dissented from the issued recommendations. The actual negotiations seem to confirm the fact that the recommendation process is a floor-producing mechanism within the forest industry. Recommendations are never higher than the final settlement between the parties.

For the union, the strategy at the recommending stage is varied. The union may support the final recommendations or may seek to discredit them and the entire recommendation process by attacking its "unfair" because of irregular procedure or extended hearings, since the union must, through its nominee, seek a recommendation, it may sign or dissent and allow the recommendations to issue from the employer and the chairman.

There is a cost to dissent. The cost is the difference between a recommendation that could have been gained by the nominee "staying with" the board in its recommendations, and the recommendations issued without a labour nominees' signature. To the extent that there is a "cost" to dissent, the union will have to decide to either accept the slightly higher recommendation unanimously issued, or to risk a strike through post-recommendation bargaining to gain a settlement above the lower, labour-dissenting recommendations. Dissent would increase as the union was more willing to risk through later negotiation.

In Chapter Two, the consensus among critics of the compulsory conciliation system was that it was of decreasing effectiveness in moderating tactical behavior during the conciliation process. Membership militance would also tend to increase as the time span increases between the present contract negotiations and the last work stoppage. Finally, Hick's prediction that the union must strike periodically to keep the strike threat viable also suggests increasing militance over time. These predictions combine and reinforce one another. The concept of increasing union militance over a period of time may be taken as given for the purpose of testing union dissent as a tactical device of the union. If union dissent from recommendations increases over the strike cycle, or over the statute cycle, then it may be viewed as a union tactical weapon. Dissatisfaction with particular recommendations based upon the characteristics of each particular procedure and result would not yield a pattern of increasing dissent over some cycle.

The dissents of union nominees increased in frequency both as the statute grew older and as the last strike was forgotten. Because the statutes tended to change immediately after forest industry strikes, the pattern was a single one. From 1947 to 1952 there was a progression from early settlement in 1947 to unanimous settlement recommendations in 1948, 1949, 1950<sup>2</sup> and 1952. These were increasingly opposed by the union,

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<sup>2</sup>The 1950 recommendations were unanimous, but the union rejected them with great force. The union nominee had not been aware of the union position.

leading to the 1952 work stoppage. The 1953 and 1955 boards were able to issue unanimous recommendations. Dissension by labour nominees occurred in 1957, 1958 and 1959.

Neither the model nor the record of behavior can indicate the "reasonableness" of the recommendations. The union could be dissenting from recommendations in order to gain "excess" settlements or to raise "inadequate" settlements to "reasonable" levels. The model suggests only that dissent may be used as a tactic to win increases larger than the conciliation recommendations. The model also can draw no conclusion concerning the relative size of the increase in recommendation levels foregone by the union in dissenting, and the increase gained by dissent and further negotiation.

Dissent is, then, to some degree, likely used as a bargaining tool for economic gain. It serves an additional function under the model. Because the conciliation process is viewed as inherently "anti-union," in its strike-delaying effects, the union will tend to be very sensitive to both delay in the conciliation process and in irregularities in the conciliation procedures. These "injustices" in the system are generally the reason given by the union whenever it dissents from the recommendations because economic reasons do not constitute a sufficient reason in the public eye. Economic compromise is expected. Thus, anticipated recommendation levels that are economically inadequate may be dammed through attacks upon the procedure itself as being unjust and unfair for non-economic reasons.

The non-economic grievances can be real, however. They may also be totally independent of economic complaints, although they

generally occur together. Thus, if a conciliation recommendation process runs well past the contract expiration date, the recommendations will be hostilely received regardless of their economic content. These non-economic grievances of the union may well generate the feeling that they deserve additional economic reward. This is a likely result of continued use of "injustice" as a label for dissenting from recommendations on economic grounds. The membership comes to associate "injustice" with the existence of inadequate present economic recommendations.

The model will therefore predict that the recommendation function may cause the union to reject a satisfactory economic settlement because of procedural errors or delays by the recommendation agency. Because the employer may not be prepared to offer the additional amount held necessary by the union, this could produce a work stoppage where the settlement could have been reached if the procedural errors had not been made. The strike would be artificially induced by the recommendation body and made even more difficult because the union would be striking in the name of principle rather than on economic grounds. "Principle" becomes more difficult to compromise because no economic reasons for concession may exist. Employers will resist "economically unjustified" increases more than those for which economic grounds may be found.

The behavior manifested by this union reaction to the recommendation functions is difficult to isolate, by looking at the actual recommendations, without judging them as "fair" or "unfair" economically. A very rough and possibly misleading technique for judging the level of the recommendation is to examine the final settlement.

Within the limits that this process allows, an analysis of the union's gains through dissent may be made.

The first union dissent from a conciliation board was in 1948. The economic situation was poor and the recommendation was for no wage increase. It was accepted by the union even before a strike vote. The probable reason for the dissent was that a union nominee could not be expected to sign a recommendation calling for no wage change. The 1950 recommendations were issued unanimously. This result was owing to the lack of understanding on the part of that particular union nominee, of the economic realities and power position of the union and companies. On sheer economic arguments, without any claim of irregularity, the union gained an additional  $3\frac{1}{2}$  cents in base wage increases.

The recommendations of 1952 were both delayed and irregular in scheduling. The strike was long and difficult with a net increase in wages over the recommendations of six cents. There is no way to determine if the irregularities had any major role in stimulating the original work stoppage. Union anxiety to get on with the work stoppage could generate impatience with delay. Those delays, however, would help maintain worker militance.

The recommendations of 1957 called for what would appear to be an economically unrealistic recommendation of no wage change. Importantly, it did so in such a fashion that further hearings were recommended. The union was able to gain a 95 per cent strike vote response to those recommendations and on that basis make considerable post recommendation gains: 13 cents per hour over a recommended zero wage increase. Again, however, there can be no separation of economic and procedural

hostility to the recommendations. The recommendations aroused such hostility, some of which resulted from the procedures used, that the large gain may be, in some degree, attributed to the procedural error.

The 1959 negotiations may demonstrate the model's suggestion that errors by the recommendation agency may make a settlement impossible where it was once possible. Both negotiating parties expected the conciliation officer to make recommendations for settlement of the dispute. He did not and a conciliation board was formed. This carried the period of compulsory conciliation past the expiration date of the contract. The board, with the union nominee dissenting, affirmed the last employer offer. The resultant strike was the largest in terms of man days lost in all British Columbia labour history. The resulting economic gains were sufficiently slight -- three cents extra the first year and five cents the second -- that the passions generated by the irregular procedures may have contributed to the strike.

A clear example of dissatisfaction independent of the recommended level of settlement is evident in the 1966 Nemetz Commission hearings. They extended beyond the contract date expiration and produced a work stoppage based upon the sole factor of "running long." The recommendations had not yet been issued. The strike organizers, in defiance of the union negotiators, may have had internal union political reasons for beginning the work stoppage. The support of the participating workers suggests that "procedures" may generate considerable passion among the membership.

The actual negotiations support the suggestion of the model that procedural irregularities may generate union dissatisfaction

in accordance with the level of recommendation. The actual negotiations do not allow a separation of the economic and procedural reasons for rejecting recommendations. The existence of procedural dissatisfaction, independent of economic dissatisfaction, may be confirmed at least in 1966, but it cannot be isolated as a cause of a work stoppage in the actual negotiations.

Once the union has rejected the recommendations it is free to strike. At this stage, if it has developed this far, the model does not make specific predictions on behavior. Generally the union leaders face the same expectation problems with members forming different views of how the leaders should behave and what they should be able to gain. So, too, the negotiators must face the expectations formed through previous union exhortation. The union membership had to vote successfully to reject the recommendations and to strike in every unit of the larger whole. Any small certified unit if it fails to support the strike vote cannot join the strike. This requires much greater haranguing by the leadership than simple majority votes in the entire unit. That union leadership must then satisfy the inflamed passions of the membership. This may well be the reason for longer strikes.

Actual post-recommendation rejection bargaining behavior, like strike negotiation behavior, is not predictable from the institutional variables analyzed. Tactics of bluff and not-bluff, subjective evaluations of the other's position, etc., fit into normal two-party bargaining theory and will produce indeterminate results. Harbison

and Coleman,<sup>3</sup> who describe a type of relationship similar to that existing within the coast forest industry, "The Armed Truce," find they are able to make no predictions on the strike behavior of these relationships. The parties will gain experience over time and be less likely to misjudge what the other side may do in a crisis, but no other results can be stated.

The model has been successful in predicting the patterns of behavior up to acceptance or rejection of the recommendation. It suggests that this initial behavior satisfies intra-organizational needs within the union.

The treatment of the second-stage or recommending function is of great importance to the compulsory procedure for it establishes the momentum for the bargaining strategy of the union.

In the conciliation process a decision must be made to seek a conciliation or recommendation award that will most likely be the final contract, or to reject the award and try the "power" solution of post-conciliation bargaining. The decision of the union leadership to co-operate or dissent is made during the recommendation stage. If the union leadership decides to co-operate with the recommenders the recommendations become difficult to avoid. The primary suggestion of this model is to emphasize the importance of the recommendations to the bargaining process.

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<sup>3</sup>Fredrick H. Harbison and John R. Coleman, *Goals and Strategy in Collective Bargaining* (New York: Harper and Brothers, 1951), pp. 46-47.



These recommendations consist of two independent factors: first, the size of the recommendations, i.e., their economic impact, and second, the procedural regularity or "fairness" of the proceedings as seen by labour.

## CHAPTER SEVEN

### EFFECTS OF CHANGES IN THE PROCESS

The model of inter- and intra-party behavior for the forest industry bargaining seeks to predict behavior within the statutory system. It may also be used to predict the effects of statutory changes within the compulsory conciliation process. The institutional characteristics which give the parties their motives for specific behavior under the system are not changed by minor statutory modifications of the system.

The model, as discussed in Chapters Four and Seven, is used in two ways. First, it is used to suggest the impact of changes which did occur during the bargaining period. The results of the model may then be generally compared with the actual resulting changes, if any, by the parties under the changed process. Second, additional changes in statutory form are presented which would improve the effects of the process upon the negotiations.

The statutes in the 1947-1968 period made several changes in the timing of the process. By starting the process earlier in the existing contract, and shortening the terms of the first-stage officer and the second-stage agency, it might be assumed that the process would be completed sooner. Because continuation of the process beyond the life of the existing contract is resented by the union, a faster system could be expected to reduce the union dissatisfaction by preventing such runovers.

The bargaining model would support the idea that prevention of overruns into the new contract period would remove a union grievance. This would deny the union one means of discounting the merits of the settlement recommendations. Such a reduction in the union's power to discredit the recommendations may contribute to a union strategy decision to support the recommendations in the hopes of improving on them.

The model does not indicate any necessary relationship between pushing the initiation of the process back in time, and the prevention of the process extending into the next contract period. There is no necessary relationship between the start and the finish of the process. Tactical delay and extension of the process by the state, etc., may extend the process. The parties may not feel compelled to rush in the early stages.

An examination of the annual timing of the process shows that although in each year the contract negotiations began within a very few days of the statutory limit for early commencement, no trend was established in process completion. Thus, regardless of the starting date, the finish date was not directly related to the time allowed for the process. In the 1950 to 1968 contract period, the contract expiration date was June 15. When the bargaining began two months before the expiration under the ICA Act, one of three recommendation agency terms extended beyond the expiration date. When the period was extended three months over the previous two under the Labour Relations Act, three of six recommendations were issued in the post-expiration period. The changes in the beginning of the process were not clearly effective in controlling the ending of the process. On this ground they were not clearly effective in

improving the results of the conciliation system.

A second tendency through the conciliation process was to increase the available sanctions and their severity for use against violators of the process of conciliation. The model would suggest that in the short run period of the bargaining negotiations threats of sanctions would not influence the union leadership's decisions. Internal union considerations, and the tactics of the post-recommending agency bargaining, would tend to overwhelm any fear of violation of the provisions of the statute. This would seem to be particularly true where the union did not expect the state to attempt to punish labour during the negotiations or work stoppage for fear of exacerbating the situation.

The actual events of the bargaining period do not afford much consideration of the effects of sanction. They were not instituted even where the union activities were in clear violation of the law, such as in the 1952 strike which was instituted without proper voting. In general, the effect of sanctions which do not influence the levels of recommendation or the bargaining process itself will not be a major influence on the union tactics.

The result of reducing the Labour Relations Board to a part-time basis in early 1953 was to end the self-assigned mediation function of the board. In effect, the act removed the informal third-level negotiation procedure.

The model would suggest that any procedure that facilitated review of stage-two recommendations would induce the union to discount the recommendations. The union, as the model suggests, makes a decision to

accept the recommendations or reject them. If the rejection is made easier by the presence of an institutionalized process of further review, the union will tend to reject recommendations more often. This same result would be suggested by the general criticism in Chapter Two, that later stages of any process will undermine the earlier. Thus, the existence of a "third level" undermines the second.

The actual negotiations before and after the removal of the board as an extra level mediator, does not clearly support the idea that union dissents diminished. What does seem to be apparent, however, is that the union sought to justify its rejection of the recommendations after the board was removed.

Where the process proceeded "naturally" to a third level of negotiations and bargaining under the Labour Relations Board, little excuse had to be offered to justify the rejection of the second-stage recommendations. Where no mandatory extra-level mediation was institutionalized, the union had to justify its rejection of the second-level recommendations.

This justification may be seen by noting that the post-1953 conciliation recommendation rejections were supported by attacks against the procedures and the timing of the recommendation agency. As discussed above, non-economic reasons were used to support the dissent.

In pre-1953 rejections, little support was given to dissent. In 1950 the union was able to successfully dissent even when its conciliation board nominee signed the recommendations.

Directly related to the union dissent concept was the important change in 1961 which allowed the government officer at the first

level, the conciliation officer, to recommend no further conciliation. This resulted in the forest industry in the replacement of the three-man conciliation board with the one-man recommending agency.

The existence of a one-man recommending agency is significant for the model's conceptualization of union negotiating strategy. The model suggests the union seeks to improve its position *vis-à-vis* the recommendations by dissociating itself from the recommendations. An important technique up to this time had been the dissent of the union nominee from the recommending agency's report. Thus, the report was a product of employer rather than mutual suggestion. With a one-man recommendation body there was no way in which the union could symbolically dissociate from the report.

This inability on the part of the union to dissociate was compounded by the legislation required to initiate the recommendation stage. Because the option to have a stage-two recommendation hearing rested with the state, the union had to request such a process. This request made it difficult to dissent from the results.

The union leadership required the recommendations of a conciliation agency for the intra-organizational reasons discussed in Chapter Four. The leaders' dependence upon the recommendations could tend to generate a gap between membership and leadership expectations relating to proper conduct before the agency. The leadership, in one sense, needed the recommendations and had requested them. They may feel constrained from actively dissenting during the process. The membership might expect, as in the case of labour nominees on tripartite conciliation boards, leadership

dissent and dissociation with activities by the recommending agency. Any disruption by the labour negotiators would merely halt the recommendation hearings, i.e., produce no recommendations. Because the union leadership needs the recommendations to lower the expectations of the membership as to the final contract settlement, they would be hesitant to prevent the final recommendations from being issued.

The actual negotiations demonstrate the two consequences which follow from the model's view of the process of negotiation. First, the membership would be concerned when the union leadership was not dissenting from a hearing procedure which seemed "unfair" to the membership. This may be seen in the 1966 negotiations. The leadership was bound to continue hearings and meetings with the Industrial Inquiry Commissioner past the contract expiration date. The militant elements of the membership under the "no contract-no work" doctrine began a strike. The leadership desired the recommendations to be issued and so tried to halt the walkouts. They were prepared to do their best to stop the strike as a condition for the recommendations to be issued.

The second result that should be seen from the single man recommendations, as described above, is that the relative inability of the union to dissent would force more recommendations to become the settlement contract. The pressure of public opinion would weaken any union attempt to gain more, and would strengthen any employer resistance to higher settlement. The recommendations are more influential because of the union request for a hearing and their inability to dissociate themselves with the compromise settlement. The technique of the union,

under conciliation boards, had been to dissociate from the recommendation body before the recommendations were issued. The optional single-man recommendation agent prevented any pre-recommendation dissent. The union must support the recommendation hearings until recommendations were issued or there would be no recommendations. The recommendations are in a sense the result of the union's co-operation.

The result is the uniform acceptance by the union of the recommendations issued since the amendment in 1961.

While the period is not long enough to conclusively demonstrate that the union was no longer able to dissociate from the recommendations, it demonstrates a tendency in that direction. The union membership, however, is not necessarily mollified by this procedure. The evidence of union affairs since 1961 suggests that the union leadership is suffering from the "expectation gaps" discussed previously. The leadership cannot continue to both curse the recommendations during their formation and then use them to lower the expectations of the membership.

An additional consequence of substitution of state-initiated one-man recommendation forms, within the coast forest industry negotiations, is that the personnel are chosen by the state rather than by the nominees from each party under conciliation board formation procedure. The model does not consider this consequence. If, however, the selection by the state and the selection by the nominees of a chairman will produce differing recommending types, then the effects on the parties of the recommendations will be partially a result of the recommender's personality rather than party interaction.



... Bernard T. Wilson suggests:

With respect to the prestige factor in mediation, there was a time when any highly placed amiable fathead could mediate with some assurance of effectiveness, but that time is long past.<sup>1</sup>

If it could be demonstrated that the personality characteristics and experience of the pre-1961 nominee-elected chairmen were different in some important way from the post-1961 state-appointed recommenders, the value of the change in structure of the recommending agency would be discounted by the influence of the personalities of the recommenders.

The post-1961 personalities were selected by the state and were professional "middlemen" in two out of the three cases. The nominees' selections were generally men of prominence but not necessarily experienced in mediation. The facts do not support any firm conclusions, but there would seem to be a larger element of professionalism in the state-appointed than the nominee-appointed recommendation leaders. To that degree the post-1961 successes must be to some degree attributed to better recommendations.

From the changes made in the statutes and their effects on the process, and from the predictions of the model about these changes, comments on the form of statutory conciliation are possible. On the basis of the real interactions of the parties over time and over statutory changes, the significance of various aspects of the statute may be suggested.

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<sup>1</sup>Bernard T. Wilson, "Conciliation Officers' Techniques in Settling Disputes." Paper presented for discussion at the Eighteenth Annual Conference of the Canadian Association of Administrators of Labour Legislation, Quebec, September, 1959, as quoted in Stevens, *Strategy and Collective Bargaining*, op. cit., p. 183.

First, the timing of the process is not important unless the end of the process is controlled. Perhaps rigid maximum time limits for stages, particularly the last one, would be possible. While the model does not reveal the actual mechanism which would be most effective, it does demonstrate that the end of the recommendations, rather than the beginning, is important. The bargaining that normally precedes the recommending function is slight, while the effects of an extension of the bargaining process past the contract expiration may be large.

The sanctions are not significant unless they are actually used. The degree of punishment is therefore not so important as the control over its use. This may indicate that the *Therien* decision, which allows the employer to institute judicial sanctions, may in time prove to be important. The significance of this development is not demonstrated as yet within the bargaining.

The most important contribution of the model to the statutory process is the emphasis of the recommending function of the conciliation process. The evolution of the former compulsory stage into an *ad hoc* process, introduced at the request of the parties, was a major step in giving the recommendations new effectiveness as a compromise force. The two changes, forcing the union to request a second-level recommendation, and making the recommendation body one man, brought strong forces on the union to accept the recommendations without attack. Once the recommendations were issued without previous attack by the union on the "neutrality" or "fairness" of the board, the public pressure on the union to accept the decision became difficult to avoid.

The limitation upon the success of the compulsory process in avoiding disputes is based upon the pressure of the membership upon the leaders. The system may be able to control the "rational" acts of the union leadership by making it most profitable to accept the terms of recommended settlements. If, however, the system does not convince the membership that such a settlement would be best for them, a continuing pressure will build up on the leaders to fulfill member expectations. This force will operate in conjunction with the Hicksian idea that a union must strike periodically to demonstrate its preparedness to do so. Strikes should periodically occur, then, even in the face of a skillfully-drawn compromise recommendation by a second-stage recommendation body.

If a strike must occur periodically, it may well be, as Stuart Jamieson suggests, a more difficult strike because of the existence of a recommendation. That recommendation may have hardened the positions of the parties and made eventual compromise and settlement more difficult.

The steady deterioration of the system's ability to moderate the behavior of the parties, as predicted in Chapter Two, is not inconsistent with an efficient compulsory conciliation system. The system produces results by influencing the judgment of the negotiators; it ideally becomes more profitable for each party to accept the recommendations given in stage two rather than reject them and face a strike. Nothing within the process directly modifies the views of the union membership concerning proper behavior by its leaders. Where the leadership is subject to the expectations of the membership or militant elements within it, conciliation will be unable to consistently control the behavior of the leaders of the

union. The ultimate long-run source of motivation for union actions is beyond the reach of the conciliation system.

## CHAPTER EIGHT

### A CONCLUDING VIEW OF COMPULSORY CONCILIATION

The significance of the coast forest bargaining model lies in its ability to relate the influence of the compulsory conciliation process to the internal function of the parties. By examining the intra-organizational characteristics, as well as the history of the union, the limits of the bargaining system's influence upon the behavior of the parties are illustrated. These added insights are based, however, upon industry-specific characteristics. This decreases the model's relevance for general bargaining relationships.

General comments may be made upon the basis of the predictions of the model to complement and contrast the conclusions of various critics in Chapter Two. It is important to remember that these generalizations are taken from a model that examined a union with an unusual history and structure, in the largest negotiations within the province.

The general comments in Chapter Two were directed to the general results of the compulsory conciliation procedures, such as those in British Columbia from 1947 to 1968. They suggested that the system retarded early bargaining. The parties thus confronted each other through the recommending agency with large distances between them in terms of settlements acceptable to both parties.

The recommendation function, the general comments indicated, produced results that were sometimes normative rather than accom-

modative and often the result of one party's dissent. The entire process was subject to tactical maneuver as the parties learned to manipulate the process over time, thus reducing the entire system to a partisan interplay.

The model's suggestions for the interplay of the parties confirms the relative ineffectiveness of the early stages of bargaining. It also offers a technique which should increase early bargaining and reduction of differences between the parties. The stimulant to early bargaining is suggested by Stevens as discussed in Chapter Four. The larger the uncertainty of the results of stage two recommendations, the greater the tendency to bargain for a pre-recommendation settlement. The important qualification of the industry model, however, is the necessity to transmit this uncertainty to the union membership so that the union bargainers will not risk alienating their membership support.

The general comments about the tactical advantages taken by the employer through delay of the compulsory conciliation process are also accepted by the model. The remedy for such tactics is to control the termination date of the mechanism of conciliation rather than the starting date. The added importance of stopping process overruns would be the impact upon the union's ability to translate outrage at overly long processes into economic gain thus reducing union tactics also. The union recommendation-rejection strategy is shown to exist as a function of the union's ability to dissociate itself from the recommendation. If a recommendation is fair on its face and regular in every detail, the union will be reluctant to attempt rejection of its terms. This is the added influence of the "fairness" image of the recommendation, both in procedure and

duration.

Actions of the union membership become important for the long-run success of the conciliation process. While it may be possible to place the union negotiators in a position where the recommendation level of settlement will almost always be much better for their membership than a rejection and strike threat, the membership must also believe the fact. To the extent that the compulsory conciliation fails to contribute to changing the expectations of the membership as well as the leadership, the system will not be successful over time. Pressures will build up until the leadership is either voted out of office or feels politically forced into intransigent positions which may lead to a strike.

The effectiveness of the present system of bargaining may in no way be compared to alternative ways of bargaining. This study considers only conciliation systems. The two areas of significance within a system of compulsory conciliation are the union membership and the recommendation procedure. If the recommendation function is fulfilled with proper attention to its real and apparent regularity in both form and timing, union dissent will not likely be profitable for the leadership in terms of increased settlement. If the union membership may, in some way not suggested here, be made aware of the correctness of its leaders, then the leaders would not be forced to act in an intransigent way by the membership's demands.

The union membership's views of the proper way to behave in labour management contract negotiations constitute a subjective matter

muchly influenced by union history and ideology. Those views are not likely to be easily influenced by the state.

As a result of inability to stop pressure from building toward periodic work stoppages, strikes may have to be accepted as an inevitable concomitant of our existing system of industrial relations. Work stoppages clearly result from internal union characteristics. They do not indicate either an imperfection in the conciliation system or a deterioration of its effectiveness over time.

The cycles of deteriorating relations from 1947 to 1952 and 1954 to 1961 suggest that the conciliation system may be susceptible to increasing militancy in negotiations. There is no evidence to suggest that the system encouraged disputes because of its structure. On the contrary, the 1966 Nemetz hearings would seem to demonstrate that union membership dissatisfaction with procedures will force union leadership into increasingly militant positions.

This internal or intra-organizational pressure is the most vital concern of the conciliation process. If ways are found to include the membership in the process whereby expectations are lowered to the level of the recommendations issued by the second-stage agency, then the pressure upon the union leadership for increased militancy will not occur.

The recommending level has been emphasized as the vital stage in controlling the behavior of the union in its decision to accept or reject the recommendations.

The emphasis on the fairness of this process, and making dissension from it more difficult, has been the primary suggestion of



this analysis. Extending the apparent fairness of this process to the membership of the union should be the goal of further developments in a compulsory conciliation system.

## B I B L I O G R A P H Y

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# A P P E N D I X E S

## APPENDIX I

### CONTRACT SUMMARIES

The summarization in Chapter Five of the behavior of the parties during the bargaining was simplified for accentuation of bargaining trends. Contract changes were limited to base rate changes. The following summarization of contract changes offers a fuller treatment of the contract terms and conditions. The summarization is taken from the International Woodworkers of America, Region One, 1970 Submission to the Nemetz Hearing.

### BARGAINING HISTORY

#### B.C. COAST

#### TERMS OF SETTLEMENT - 1949

- Basically no change from 1948 agreement.
- Writing in of Board and Lodging clause.
- Article re Bargaining Agency.
- Base rate: \$1.08.

#### TERMS OF SETTLEMENT - 1950

- 12½ cents per hour across the Board - Base Rate \$1.20½
- 40-hour week for all.
- Time and one-half for all Saturday and Sunday production workers.
- Maintenance of membership.

TERMS OF SETTLEMENT - 1951

- 9 cents per hour across the Board - Base Rate \$1.29½
- In addition the following differential increases granted on present rates:

\$1.25 - \$1.39½	-	1¢
\$1.40 - \$1.49½	-	2¢
\$1.50 - \$1.74½	-	6¢
\$1.75 and over	-	9¢

- Fallers and Buckers on piece work \$1.00 per day increase.
- Shingle Sawyers - 4¢ increase per sq.  
Shingle Packers - 3¢ increase per sq.  
OR Employee option, receive \$1.00 per day.
- Sawmill Graders an additional 3¢.

NOTE: All above effective January 1, 1951.

- C.O.L. Bonus 1.3 points - 1¢ per hour.
- Time and one-half for Sunday work for Engineers, Firemen and Maintenance Workers.
- Vacations: 2½% for up to 5 years' service.  
5 % for over 5 years' service.

TERMS OF SETTLEMENT - 1952

- 5½ cents per hour across the Board. Base Rate \$1.35.
- Continuation of C.O.L.
- 3 Paid Statutory Holidays - Christmas, Dominion Day and Labour Day.
- Provisions for Wage reopener in December if required, with Chief Justice Sloan as mediator.
- All injunctions to be dropped.
- No discrimination against Union members.

TERMS OF SETTLEMENT - 1953

- Consolidate 9 cents C.O.L. Bonus.
- 5 cents per hour across the Board. Base Rate - \$1.49.
- Power House Employees:
 

2nd Class Engineer	\$2.10½
3rd Class Engineer	\$1.95½
4th Class Engineer	\$1.85½
Firemen	\$1.64
- Plus C.O.L. 9 cents and 5 cents across the Board.
- Seniority lists supplied.
- Employee transferred to supervisory position can return to bargaining unit.
- Casuals will not receive Statutory Holiday Pay.



TERMS OF SETTLEMENT - 1954

- Three additional paid Statutory Holidays - Empire Day, Armistice and Good Friday or Easter Monday.
- Seniority retention.
- Fallers and Buckers basic minimum rate.
- Hours of work provision for completion of two hours of shift extending into Statutory Holidays.
- Compulsory check-off for new employees.
- Board rate of \$2.50.
- Provision to negotiate wider differential in shingles on plant basis.
- Provision to transfer MSA coverage from plant to plant.

TERMS OF SETTLEMENT - 1955

- Two year agreement.
- 5 cents in 1955; 5 cents in 1956 - Base 1956, \$1.59.
- Additional Statutory Holidays:
  - 1955: Dominion Day
  - 1956: New Year's Day
- Travel time 10 hour basis.
- Fare allowance both ways for 20 days or less.
  - one way for 20 days to 40 days.
- Standby time - Shingle Sawyers \$2.25  
Shingle Packers \$1.75
- Additional 5 cents for:
  - Shingle - Cut-off Sawyer, Knee Bolter, Splitter and Deckman
  - Sawmill - Carrier Driver, Fork Lift.
- Establish job evaluation program in plywood.
- Strengthen union security provision.
- Protect Boatmen under contract.
- Streamline grievance procedure.
- Restrict Arbitration Board procedure.
- Provision for negotiating contract rates in newly-acquired timber.
- Exclusion of office employees from bargaining unit.

Deferred

## Rate Revision:

Boommen - 7½¢ - effective October 1, 1955  
 Graders & Tallymen - 3¢ - 15¢ ) Effective  
 Engineers - 3¢ - 10¢ ) August 22,  
 Logging Engineers - 7½¢ ) 1956.

TERMS OF SETTLEMENT - 1957

- Union Shop
- Wages 13¢ per hour or 7½% - Base \$1.72.
- Committee to revise 5 logging categories.
- Standby time for Grooving Packers & Feeders.
- Seniority - can be waived in an emergency.
- Employee can accumulate days for probationary purposes.
- Amendment to sick leave.
- Vacations 4% for less than 5 years.  
6½% for more than 5 years.
- Change in cookhouse clause.
- Hours of Work - delete 1st Aid from exemptions
  - Swing shift vote
  - Add 2 ten-minute rest periods.
- Computation of holiday pay for piece workers.
- Call time to provide 4 hours for loggers on early shift.
- Fare allowance amended to allow for payment due to sickness or injury.

TERMS OF SETTLEMENT - 1958

- Hours of work - delete Tow Boatmen and Watchmen.
- Statutory Holiday qualification of 60 days.
- Vacations - W.C. or illness to be computed for vacation credit.
- Seniority - job posting
  - reduce departments
  - waiving of seniority rights
  - seniority retention
  - departmental seniority to be included in seniority lists
  - reinstatement of supervisory workers
- Medical Plan agreed on plant basis.

TERMS OF SETTLEMENT - 1959

- 10 cents first year, 10 cents second year - 1959 Base \$1.82.  
- 1960 Base \$1.92.
- Additional 10¢ for Tradesmen.
- Implementation of job evaluation in plywood.
- Joint category revision committee.
- Swing shift voting.
- Preferential hiring in companies with more than one operation under one certificate.
- Amend arbitration.
- Amend travel time to obviate needless delays.
- Amend arbitration.

TERMS OF SETTLEMENT - 1961

- Industry-wide, jointly-administered Health & Welfare Plan, on a 50-50 basis.
- One additional paid Statutory Holiday.
- Revision for Engineers: 4th Class - 5¢  
3rd Class - 8¢  
2nd Class - 10¢  
Firemen holding 4th Class - 4½¢
- Casual Labor confined to week-end work.
- Improved procedure for finalizing rates.
- Amendments to Seniority.
- Amendments to Arbitration.

TERMS OF SETTLEMENT - 1962

- 8 cents across the board June 15, 1962.
- 8 cents across the board June 15, 1963.
- Extra week's vacation for employees with 20 years' service.
- Amendments to Seniority.
- Write in of medical coverage.

TERMS OF SETTLEMENT - 1964

- 15 cents across the board June 15, 1964.
- 13 cents across the board June 15, 1965.
- Tradesmen additional wage increase - 30 cents per hour June 15, 1964.
- Shingle Sawyers - basic \$3.11 per hour
- Shingle Packers - basic \$2.57½ per hour.
- Survey of Planermen's rates and categories.
- Pay days every second week.
- Weekly Indemnity payments increased to \$50 for 39 weeks.
- Improved travel time for loggers.

TERMS OF SETTLEMENT - 1966

- 20 cents across the board June 15, 1966.
- 20 cents across the board June 15, 1967.
- Creation of high level Standing Joint Committee.
- Amendments to Plywood Job Evaluation.
- Amendments to Hours of Work provisions re swing shift.
- 4 cents per hour increase in shift differential.
- Amendment to Statutory Holiday arrangements.
- Provision for leave of absence up to 6 months for compassionate reasons or for educational or training purposes.

- Technological change - 6 mos. advance notification
  - training and re-training clause
  - severance pay provision.
- Improved travel time provisions for loggers.

#### TERMS OF SETTLEMENT - 1968

- 18 cents across the board June 15, 1968
- 18 cents across the board June 15, 1969
- Amendments to Check-off form.
- Provision for 40 hour week within 7-day period with straight time for Saturday, overtime rates on Sunday, for Cook and Bunkhouse employees.
- Establishment of Joint Committee to study provisions relating to Technological Change in order to clarify intent.
- Provision for establishment of Sawmill Job Evaluation program to be negotiated in 1970.
- Provision for minimum guaranteed earnings for Shingle Sawyers and Packers.
- Vacations improvements:
  - 3 weeks after 4 yrs. at 6½% of gross earnings;
  - 4 weeks after 15 yrs. at 8½% of gross earnings;
  - 5 weeks after 25 yrs. at 10½% of gross earnings.
- Amendment to fare allowance provisions for loggers.
- Weekly Indemnity increased to \$75.00 per week.
- Amendments to Seniority.
- Amendments to Article on Strikes and Lockouts.
- Incorporation into agreement of Memorandum on Fire Fighting.

## APPENDIX II

### ECONOMIC CONDITIONS

The summary of bargaining behavior in Chapter Five did not include a full examination of the economic conditions operating on the negotiations. Where the conditions were extreme they were referred to briefly.

Prices, employment and output are tabulated here to suggest on a crude level the market trends that influenced each bargaining period.

TABLE II  
 BI-MONTHLY\* INDEX OF LUMBER PRICES 1953-1968  
 (representative item: unseasoned DF 8' 2x4 stud)

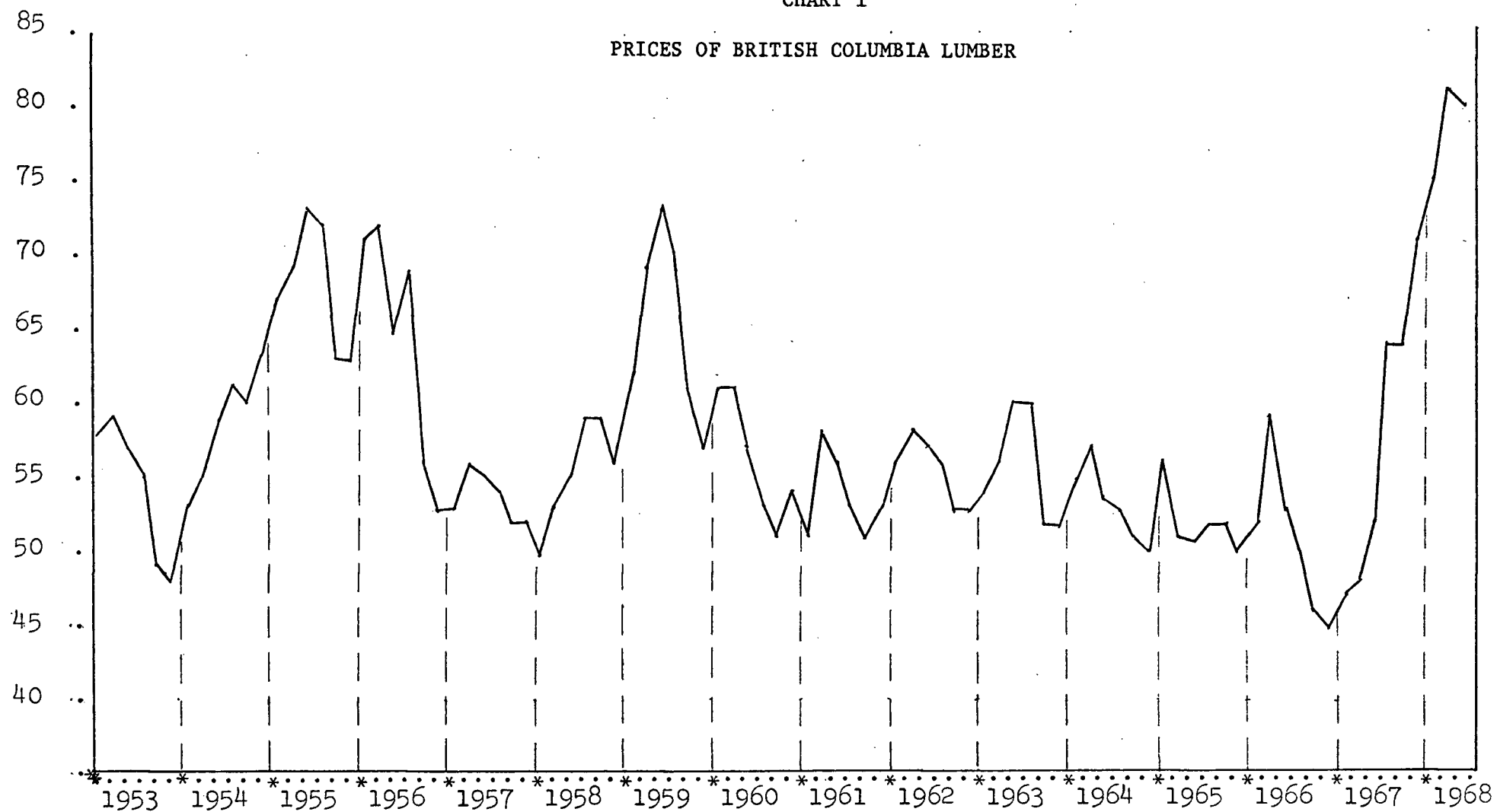
YEAR	JAN-FEB	MAR-APR	MAY-JUNE	JULY-AUG	SEPT-OCT	NOV-DEC
1953	58	59	57	55	49	48
1954	53	55	59	61	60	63
1955	67	69	73	72	63	63
1956	71	72	65	69	56	53
1957	53	56	55	54	52	52
1958	50	53	55	59	59	56
1959	62	69	73	70	61	57
1960	61	61	57	53	51	53
1961	52	58	56	53	51	53
1962	56	58	57	56	53	53
1963	54	56	60	60	52	52
1964	55	57	54	53	51	50
1965	56	51	51	52	52	50
1966	52	59	53	50	46	45
1967	52	53	57	64	64	71
1968	75	81	80	82	87	91

Source: Prices Net FOB Mill, Douglas Fir, Unseasoned 2 x 4 - 8' Studs, 10/15% Util & Btr as reported in *Random Lengths*, an industry price reporting service.

\* Monthly figures were averaged and rounded to nearest integer to produce bi-monthly figures.

CHART 1

PRICES OF BRITISH COLUMBIA LUMBER



Source: Table II.

TABLE III  
PRODUCTION IN BRITISH COLUMBIA FOREST INDUSTRY

YEAR	SAWMILL (Thousands of Board Feet)	LOGGING (Thousands of Cubic Feet)
1946	1,685	
1947	1,983	
1948	2,100	
1949	2,139	
1950	2,552	579,349
1951	2,520	555,259
1952	2,576	555,857
1953	2,572	617,016
1954	2,684	666,330
1955	2,756	655,274
1956	2,454	648,405
1957	2,352	591,358
1958	2,565	502,884
1959	2,346	574,451
1960	2,850	701,557
1961	2,956	658,712
1962	3,020	783,350
1963	3,396	814,590
1964	3,492	828,463
1965	3,649	858,318
1966	3,680	909,794
1967	3,913	900,026
1968	4,144	984,822

Sources: Production Sawmills: 1946-1949, *Statistical Review*; B.C. Lumber Manufacturers' Association, 1952; 1950-1968, D.B.S. 35-204; Production Logging: *Logging Labour Force*, *op. cit.*, p. 34.



TABLE IV  
EMPLOYMENT AND WEEKLY HOURS IN THE COASTAL LOGGING INDUSTRY

YEAR	EMPLOYMENT	WEEKLY HOURS
1950	18,000	33.8
1951	21,800	33.8
1952	19,100	36.0
1953	16,900	35.8
1954	16,700	34.9
1955	17,100	34.4
1956	19,500	34.5
1957	15,600	34.3
1958	14,400	33.4
1959	14,700	35.8
1960	14,100	35.8
1961	14,100	34.7
1962	14,000	36.8
1963	14,100	36.4
1964	14,200	37.0
1965	14,800	37.4
1966	14,200	37.6
1967	13,000	37.8
1968	14,300	37.9

Source: British Columbia Department of Labour,  
*The Logging Labour Force (Coastal Region)*, Victoria, B.C.:  
1969, p. 34, Table 9.

### APPENDIX III

#### WAGE COMPARISONS

The behavior of wages within the coast forest industry is not independent of other wages in North America. Grant L. Reuber, in his recent Task Force Study,<sup>1</sup> seems to have demonstrated that, within Canada, a national key wage group and a spillover process<sup>2</sup> does not function on an empirically discoverable level.

For the union there would seem to be no question that there are "orbits of coercive comparison,"<sup>3</sup> as Ross would describe them, between gains made by other workers and the desires of the bargaining workers. For British Columbia these factors have been discussed by Jamieson<sup>4</sup> and Colli.<sup>5</sup> These works discuss the details of the intra-regional wage relations that are beyond the scope of this study. Within the appendix, however, are some of the related forest and regional wages which would most closely influence the Coast Woodworker's.

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<sup>1</sup>Grant L. Reuber, *Wage Determination in Canadian Manufacturing Industries, Task Study on Labour Relations, Study No. 19* (Ottawa, Ont.: Task Force on Labour Relations, 1970).

<sup>2</sup>This relationship within U.S. industries was demonstrated by Otto Eckstein and Thomas Wilson in "Determination of Money Wages in American Industry," *The Quarterly Journal of Economics*, Volume 76 (August, 1962), pp. 379-414.

<sup>3</sup>This is the classic force behind union leadership first presented by Ross in *Trade Union Wage Policy* (Berkeley, Calif.: University of California Press, 1948), p. 55 ff.

<sup>4</sup>Stuart Jamieson, "Regional Factors in Industrial Conflict: The Case of British Columbia," *Canadian Journal of Economics and Political Science*, Volume 28 (August, 1962), pp. 405-16.

<sup>5</sup>Terry Colli, *Wage Structure and the Determining Processes For Six British Columbia Industries*, unpublished master's dissertation, University of British Columbia, 1970.

TABLE V  
INTERNATIONAL WOODWORKERS' OF AMERICA COMMON LABOUR RATES  
1949 - 1968

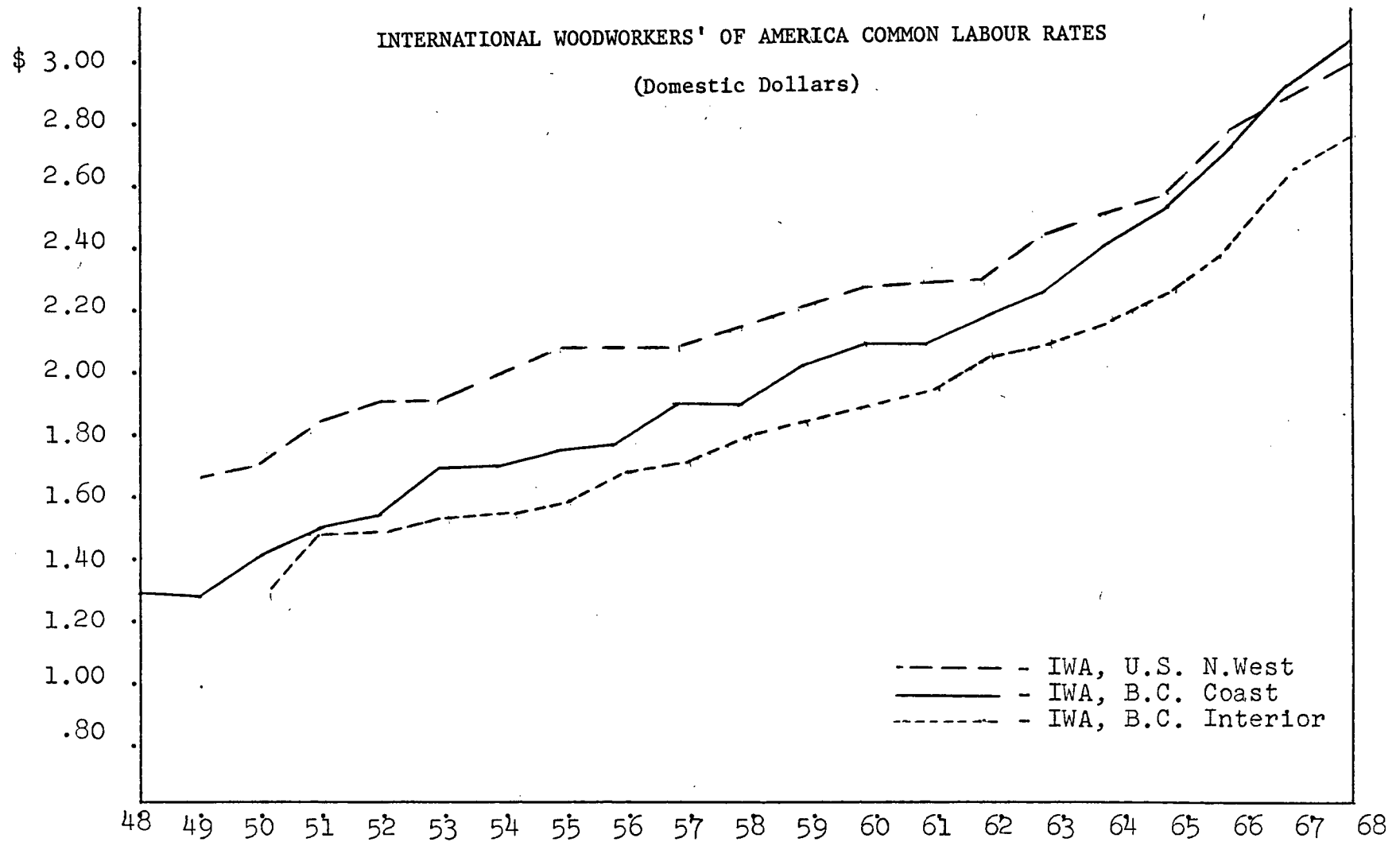
YEAR	B.C. COAST	B.C. INTERIOR*	TWO NW MILL AVERAGE**
1949	\$1.08		\$1.47
1950	1.205	\$1.10	1.52
1951	1.295	1.30	1.65
1952	1.35	1.30	1.72
1953	1.49	1.35	1.72
1954	1.49	1.37	1.80
1955	1.54	1.40	1.88
1956	1.59	1.475	1.88
1957	1.72	1.53	1.88
1958	1.72	1.53	1.97
1959	1.82	1.62	2.04
1960	1.92	1.70	2.11
1961	1.92	1.76	2.13
1962	2.00	1.85	2.13
1963	2.08	1.89	2.25
1964	2.23	1.99	2.34
1965	2.36	2.08	2.40
1966	2.56	2.22	2.60
1967	2.76	2.48	2.72
1968	2.94	2.60	2.82

\* Average of Northern and Southern Interior rates where rates vary.

\*\* Average of Weyerhaeuser, Springfield, Oregon Sawmill and Georgia-Pacific, Coos Bay, Oregon Plywood and Board Mill.

Source: *Economic Report*, B.C. Northern Interior Wage Conference, Regional Council Number One, Department of Research and Education, International Woodworker's of America, p. 55.

CHART 2



Source: Table V

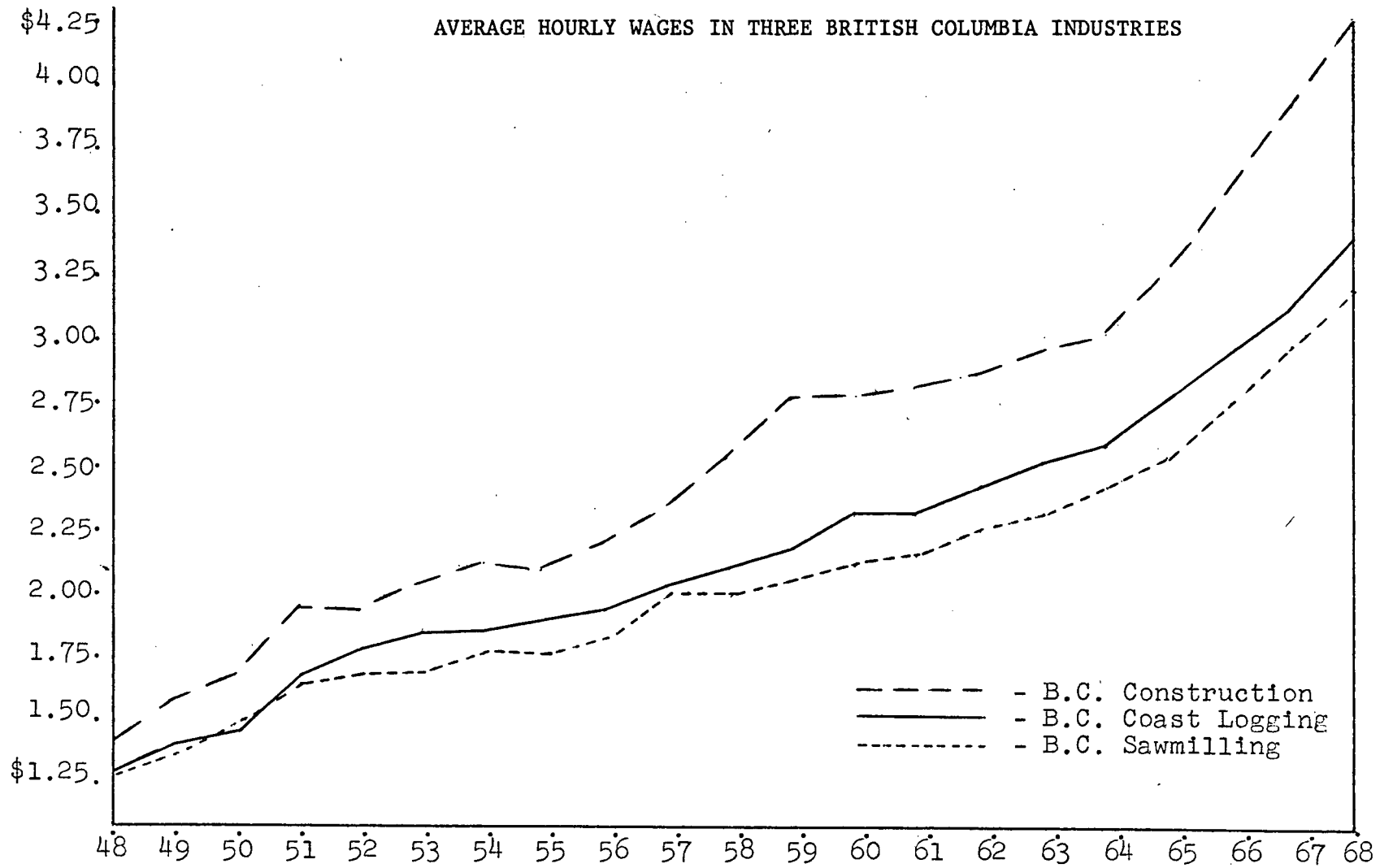
TABLE VI  
ANNUAL AVERAGE HOURLY WAGE RATES IN THREE BRITISH COLUMBIA INDUSTRIES\*

YEAR	CONSTRUCTION	COAST LOGGING	SAWMILLING
1948	\$1.42	\$1.29	\$1.30
1949	1.58	1.35	1.34
1950	1.68	1.46	1.48
1951	1.93	1.69	1.69
1952	1.95	1.77	1.70
1953	2.08	1.82	1.71
1954	2.14	1.81	1.77
1955	2.16	1.86	1.77
1956	2.23	1.93	1.81
1957	2.38	2.07	2.03
1958	2.59	2.13	2.03
1959	2.82	2.23	2.08
1960	2.82	2.35	2.15
1961	2.86	2.34	2.19
1962	2.93	2.44	2.27
1963	3.03	2.53	2.35
1964	3.08	2.63	2.47
1965	3.34	2.80	2.57
1966	3.68	3.00	2.82
1967	3.96	3.21	3.01
1968	4.29	3.46	3.25

Source: *Wages, Salaries and Average Hours of Earnings*, Canada Department of Labour, 1948-1968.

\* Industry wage rates are employment weighted averages of base rates--straight time hourly earnings only.

CHART 3



Source: Table VI.

TABLE VII.  
INDUSTRIAL DISPUTES IN BRITISH COLUMBIA

YEAR	TOTAL PAID WORKERS IN B.C. LABOR FORCE (in thousands)	TIME LOSS IN WORKING MAN-DAYS OF LABOUR (in thousands)	COAST DAYS LOST
1946	322	1,294	1,100*
1947	334	153	
1948	338	151	
1949	340	16	
1950	335	27	
1951	342	75	
1952	362	1,132	1,035
1953	368	234	
1954	370	141	
1955	390	28	
1956	421	39	
1957	439	226	
1958	434	325	
1959	452	1,423	1,323
1960	448	36	
1961	455	35	
1962	477	33	
1963	501	24	
1964	529	182	
1965	561	104	
1966	597	273	
1967	636	327	
1968	663	407	

Source: British Columbia Department of Labour, Labour Relations Branch, *Annual Reports*, 1946-1968.

\* 1946 strike included Interior units.

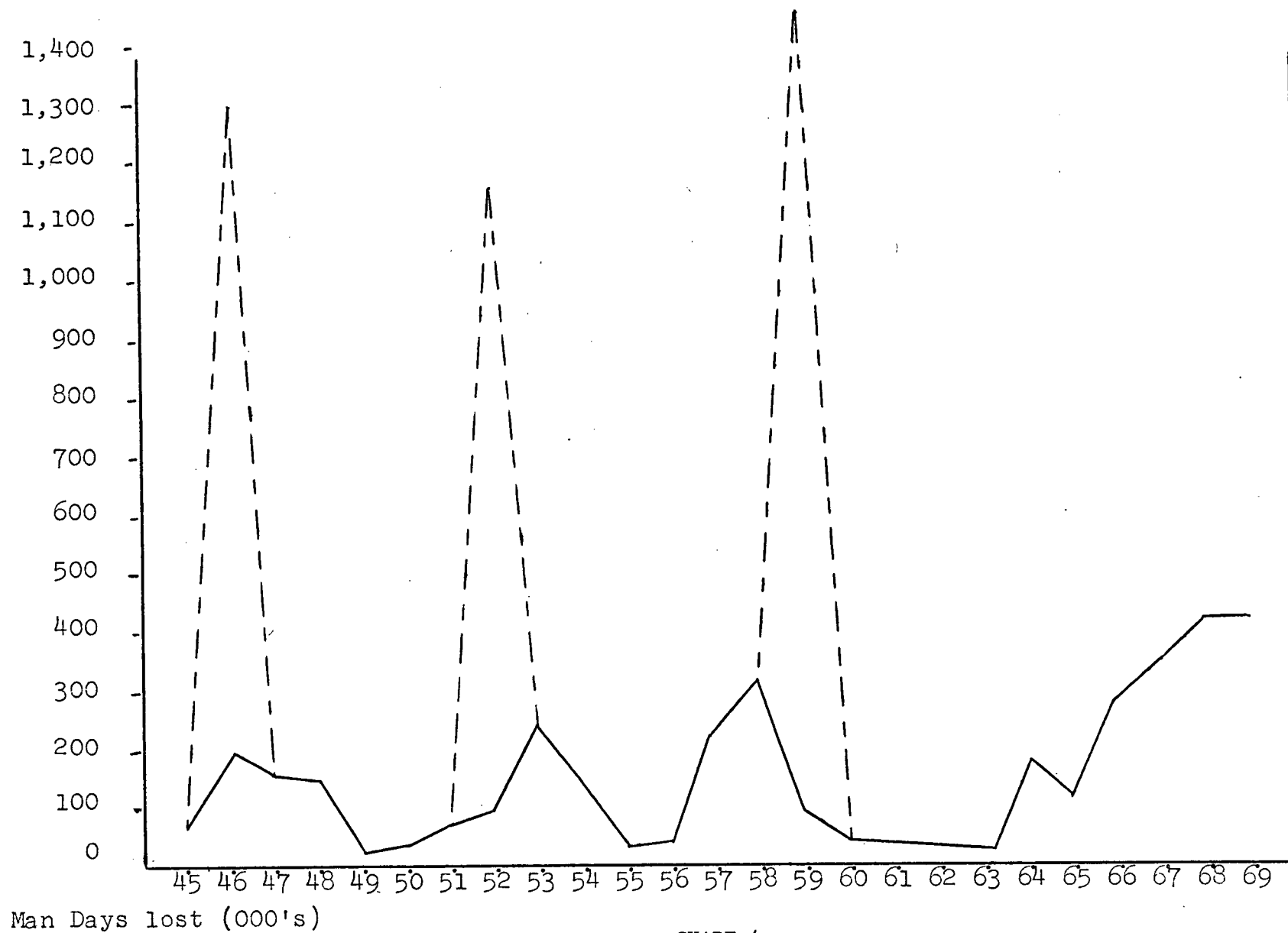


CHART 4

INDUSTRIAL DISPUTES IN BRITISH COLUMBIA

Source: Table VII