

## ARTICLE

# Employers' Anti-Unionism in Niagara, 1942–1965: Questioning the Postwar Compromise

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### Introduction

“I HAVE SOUGHT TO PORTRAY THE DIGNITY, the pride of workmanship, the sense of independence I have found in these steelmen who work with their brains and their hands in a free economy under a democratic form of government. ... They had a joy in working which transcended even the very excellent pay they receive at the end of each week.” So portraitist Yousuf Karsh – the Rembrandt of photographers – described his photographs of Welland, Ontario’s Atlas Steels workers in 1950.<sup>1</sup>

Atlas Steels was one of Welland’s largest employers. Its workforce – 3,500 workers at its peak during World War II and over 2,000 after the war – produced tool and speciality steels.<sup>2</sup> The company embarked on an ambitious publicity campaign to mark its installation of the first stainless steel sheet rolling mills in Canada.<sup>3</sup> Atlas Steels president, Roy H. Davis, hired Charles Francis Press, a New York public relations firm, for the campaign. The New York firm, in turn, hired Karsh. Davis’s only guidelines for the project were

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1. “Yousuf Karsh and the Men Who Make Atlas Steels,” Yousuf Karsh fonds, vol. 29, file 26, “Atlas Steels” (Newspaper Clippings) 1950, Library and Archives Canada (hereafter LAC). Karsh’s description as the Rembrandt of photographers from *People Today*, 5 December 1950.

2. *Welland Tribune*, 16 January 1950.

3. *Welland Tribune*, 28 January 1950.



**Atlas Steels worker, Welland, Ontario, 1950.**

Courtesy of Yousuf Karsh estate and Library and Archives Canada, PA-180919.

that the black and white photographs be “of sweating steel workers at the job: authentic stuff with furnaces.”<sup>4</sup>

Karsh’s photographs and the publicity material that accompanied them capture key elements of management’s mid-20th-century views of relations between capital and labour. Central among these views was the belief that individual effort, not collective action, led to success.<sup>5</sup> In the case of workers, success took the form of secure employment, high wages, a safety net comprised of such benefits as private insurance plans and pensions, and material rewards such as the ownership of homes, cars, and televisions.

4. Cited in Maria Tippett, *Portrait in Light and Shadow: The Life of Yousuf Karsh* (Toronto: House of Anansi Press, 2007), 269.

5. Elizabeth A. Fones-Wolf, *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945–60* (Urbana and Chicago: University of Illinois Press, 1994), especially Chapter 3, “Building Company Conscientiousness,” it offered valuable guidance for my interpretation of Atlas Steels management’s ideology.

For management, the well-being and material comforts enjoyed by Atlas workers pointed to the benefits of free enterprise in a free economy. Predictably, anti-communism was integral to the paean to the free enterprise system. The caption to the photograph of Gabor Stovik, a Hungarian-born Atlas worker, noted that Stovik's sister and brothers were taken to the Soviet Union as slave labourers at the end of World War I. After their return to Hungary, his sister died as a result of her treatment in the USSR. Gabor, the caption explained, "is unable, unwilling to forget." Anti-communism reinforced patriotic love for Canada. "An enemy of communism," Gabor Stovik "is one of the most solid supporters Canadian democracy knows." Communists, by contrast, were considered disloyal, the agents of foreign governments.<sup>6</sup>

Another important part of Atlas Steels's publicity campaign was the idea that employers and workers shared common interests and goals. Management's respect for Atlas workers was captured by the title for Karsh's photographs, "The Men Who Make Atlas Steels," and by the description of company president R. H. Davis's enthusiastic embrace of the opportunity to "show the world his steelmen as he knew them." But publicity materials also spoke of the workers' respect for Davis, who was "known as a 'plant man,' a term of approval the men who work in plants save for executives who work with them." He won the respect of the men by his "humane attitude," and by his first-hand knowledge of "what makes steel."<sup>7</sup>

Thanks to the promotion associated with Karsh's magnificent photographs, articles about Atlas Steels, depicting the company as a model employer, appeared in a large number of newspapers and magazines, including: *Detroit News*, *Orillia Packet*, *Philadelphia Inquirer*, *Chatham Daily News*, *Welland Tribune*, *Daily Press Timmins*, *Northern Daily Press Kirkland Lake*, *Daily Sentinel Review of Woodstock*, *St. Catharines Standard*, *People Today*, and *Public Relations: Journal of the Public Relations Society of America*. In most cases these articles duplicated or closely resembled the press releases issued by the public relations firm. More significantly for Atlas workers, the Karsh photographs were exhibited in Welland, where their friends, relatives, and neighbours could admire the work of the renowned portraitist free of charge.<sup>8</sup> Indeed, Atlas president, R. H. Davis, personally presented the portraits to the workers' wives, telling them how proud the company was of the part their husbands had played in the making of Atlas Steels products.<sup>9</sup>

Although this publicity campaign made no mention of labour unions, it was calculated to block the influence of organized labour among Atlas workers. Highlighting individualism was designed to counter organized labour's

6. "Stovik," Karsh fonds, vol. 29, file 26, LAC.

7. "Davis's Part," Karsh fonds, vol. 29, file 26, LAC.

8. *Welland Tribune*, 29 November 1950.

9. "Wives of the 'men who make Atlas Steels,'" Vertical Files, Welland Public Library.

emphasis on collective action as the foundation of worker strength and influence. Implicit in the depiction of labour management relations as consensual and harmonious was the view that the type of collective action promoted by organized labour was unnecessary. Yet Atlas Steels was just one of the Niagara Peninsula's anti-union employers, and the publicity campaign was just one type of union avoidance scheme employed by such employers. The establishment of company-dominated unions (CDUs), welfarism, and company relocation were the three most important additional anti-union strategies such companies employed.

This study explores employers' anti-union strategies on the Niagara Peninsula from the mid-1940s to the mid-1960s in order to enhance our understanding of the nature of relations between capital and labour during a period described by Canadian historians as the postwar compromise or settlement. By creating the legal framework which governed such relations, the state played a key role in this compromise. In 1943, Ontario passed legislation requiring employers to recognize trade unions chosen by the majority of their workers for the purpose of collective bargaining. The 1944 federal government's Wartime Labour Relations Regulations (P.C. 1003), which superseded the provincial law, also compelled employers to recognize and bargain with labour unions. After the war, jurisdiction over labour relations returned to provincial governments. In return for legal recognition of their right to be represented by a union of their choice, workers agreed to refrain from interfering with management rights and to maintain industrial peace and productivity for the term of the contract.<sup>10</sup> In light of the aggressive rolling back of union achievements in more recent times, workers' major material gains thanks to the postwar compromise look especially impressive. Although some of the most marginalized workers, such as agricultural labourers and domestic servants, were not protected by this legislation, during the period of relative prosperity that followed the war, unionized workers received high wages and good benefits. Their unions also succeeded in improving working conditions. The depth and endurance of Niagara employers' opposition to unions, however, points to the limits of the supposed compromise between labour and capital between 1945 and 1965.

Students of the Canadian postwar labour relations system do not ignore its limitations. They point to its failure to cover vulnerable groups of workers such as domestics and agricultural labourers, perpetuation of sex-based discrimination in the workforce, and greater responsiveness to employer than worker interests. Until recently, however, Canadian scholars have paid little attention to employers' resistance to unions during the period of supposed compromise between management and labour. American historians, by contrast, stress the importance of post-World War II union-avoidance strategies. In *Selling Free*

10. Judy Fudge and Eric Tucker, *Labour Before the Law: The Regulation of Workers' Collective Action in Canada* (Don Mills: Oxford University Press, 2001), Chapter 10.

*Enterprise*, Elizabeth Fones-Wolf, for example, describes management's anti-union campaign as "the business assault on labour and liberalism between 1945 and 1960," part of a half-century campaign that bore the fruit of neo-liberalism in the 1980s under President Ronald Reagan.<sup>11</sup> Sanford Jacoby points out in *Modern Manors*, his study of welfare capitalism in the United States since the New Deal, that employers' strategies significantly curtailed union strength in the postwar era.<sup>12</sup>

Two recent studies indicate the importance of business opposition to the growing influence of organized labour between 1945 and 1960 in Canada as well. Don Nerbas shows that the Canadian business elite's mistrust of the masses, combined with their fear of "creeping socialism" and the strength of labour unions during this period, led them to embark on a systematic campaign to manipulate public opinion in favour of free market capitalism.<sup>13</sup> Charles Smith investigates Ontario's mid-century labour relations law to demonstrate that the Conservative governments of George Drew and Leslie Frost, influenced by business fears of the growing power of trade unions, used the law's provisions to restrict workers' rights and erect barriers to unionization.<sup>14</sup>

A regional study such as this one obviously cannot offer conclusive evidence about the nature of Canada's industrial relations system as a whole. However, Niagara is well suited for contributing to an investigation of Canadian employers' anti-union ideas and practices after World War II. The region is situated in Canada's industrial heartland and a large segment of its population worked in manufacturing. Manufacturing was dispersed through Niagara's towns: automobile parts in St. Catharines and Merriton, metal and metal fabricating in Welland, Crowland, and Fort Erie, chemical and allied industries in Niagara Falls, Stamford, and Chippawa, paper in Thorold and Merriton, flour milling and metal smelting in Port Colborne. Textile mills were located in several of these towns. A great many of Niagara's workers became unionized during and after World War II. By 1955 the proportion of Niagara workers who belonged to unions – between 30 and 50 per cent – placed the region in the same category as Hamilton, a union city.<sup>15</sup> Despite the fact that small-town factories such as

11. Fones-Wolf, *Selling Free Enterprise, 1945–60*.

12. Sanford M. Jacoby, *Modern Manors: Welfare Capitalism since the New Deal* (Princeton: Princeton University Press, 1997).

13. Don Nerbas, "Managing Democracy, Defending Capitalism: Gilbert E. Jackson, the Canadian Committee on Industrial Reconstruction, and the Changing Form of Elite Politics in Canada," *Histoire sociale/Social History* 46 (May 2013): 173–204.

14. Charles W. Smith, "The Politics of the Ontario Labour Relations Act: Business, Labour, and Government in the Consolidation of Post-War Industrial Relations, 1949–1961," *Labour/Le Travail* 62 (Fall 2008): 109–151.

15. "Districts of Major Labour Market Areas by Proportion of Paid Workers Organized," Department of Labour, Economics and Research Branch, 45th Annual Report, 1956, *Labour Organization in Canada*, 13.

the ones in Niagara employed a significant proportion of workers elsewhere in Ontario and Canada in the mid-20th century, we know little about labour relations within them.

The region's distinctive characteristics lend special interest to this case study. Starting in the early 20th century, Niagara had the reputation as a hotbed of radicalism.<sup>16</sup> Indeed, owing to the particular ethnic mix of the region's urban population, the Communist Party of Canada and radical unions, such as the United Electrical, Radio & Machine and Workers of America (UE), the Mine, Mill and Smelter Workers, and the radical branch of the United Textile Workers of America (UTWA) which became the Canadian Textile Council in 1952, enjoyed considerable support among Niagara workers. By weakening the commitment of some large unions to organizing in the region, the size and dispersed character of Niagara's factories may have contributed to the success of these radical unions.<sup>17</sup> Whatever the reasons for their initial success in Niagara, the loyalty of local workers allowed such radical unions as the UE to remain influential even in the midst of the Cold War. By the 1950s, moreover, these unions succeeded in obtaining the highest wages in Ontario for Niagara labourers, especially in Welland and Crowland.<sup>18</sup> Such labour militancy and strength undoubtedly help to account for the intensity of anti-unionism in the region. However, if the combination of CDUs, corporate welfarism, and anti-union public relations campaigns in Niagara was replicated in other parts of Canada, then our view of the 1950s as a period of compromise between capital and labour will have to be reconsidered.

### Company and Company-Dominated Unions

TO UNDERSTAND NIAGARA EMPLOYERS' aversion to organized labour after World War II, one must consider the lengths to which they went to keep industrial unions from making inroads in their plants during the war. As soon as employers became aware of organizing drives in their plants – especially by CIO-affiliated unions – many of them quickly transformed existing employee associations into plant unions and applied for certification from the National War Labour Board. The most bitterly contested and hence best documented case of the establishment of a company union in Niagara is that of Atlas Steels. In 1942, when the UE began its organizing drive at the Welland plant, the

16. See, for example, Communism 1937 Premier Mitchell Hepburn Private Correspondence, RG 3 10, box 265, Archives of Ontario (hereafter AO); "Welland Ukrainians Deny Bolshevism Taught at School," *The Globe*, 18 May 1928, "Reds in Niagara Distribute Posters," *The Globe*, 31 July 1930, "Refinery Workers Urged to Link with Congress," *Globe and Mail*, 27 May 1949.

17. Interview with Mike Bosnich, November 1985.

18. Average Hourly Wage Rates for labourers, male, in manufacturing by city, 1951, 1952, 1953, Department of Labour, Appendix to circular No. 2684, Canadian Manufacturers Association fonds, Industrial Relations, General, 1947–48, LAC.





Employer-sponsored cartoon during competition for representing Atlas Steels workers between the United Electrical, Radio & Machine Workers Union and the Atlas Employees Association, 1942.

Courtesy of Brock University Library, Special Collections and Archives.

company's Employees Association, which had been responsible for social and recreational activities among the workers since 1935, transformed itself into the Atlas Workers' Independent Union. It issued a new constitution that empowered it to bargain collectively with the company. This "independent union" then reached a year's agreement with the company.<sup>19</sup>

While the Independent Union purported to have been formed by "the more stable and highly skilled operators and mechanics in the plant of Atlas Steels ... entirely on their own initiative," its critics believed the initiative had come from the employer.<sup>20</sup> Support for the UE came from the semi-skilled and unskilled workers. The UE challenged the right of the CDU to represent Atlas workers and called for an investigation by the Industrial Disputes Investigative Commission.<sup>21</sup>

19. *Globe and Mail*, 26 August 1943; Mike Bosnich, "How UE Transformed a Whole Community," 17–21, C. S. Jackson fonds, vol. 6, file 7, LAC.

20. UE vs. Atlas Steels, Applications for Certification 1943–44, Department of Labour, RG 7 60, box 270767, file 12, AO.

21. J. P. Nicol, Industrial Disputes Inquiry Commissioner, to M. M. Maclean, Director of

According to the federal conciliation officer who arrived in Welland in response to the UE's invitation, Atlas Steels did everything possible to prevent workers from voting for a union of their choice. It fired UE activists, claiming that their work was unsatisfactory, delayed the elections by three weeks, denied permission to post notices of the election on its premises, and refused to allow the election to take place there. Meanwhile, the company paid some workers twenty dollars to sign with the CDU, placed a full page advertisement in the local paper urging workers not to vote on the question of UE certification, and announced wage increases just before the vote. When the commissioner ordered the election, the company attempted to keep voters away from the polls by placing three uniformed company policemen at the door of the polling station in order to intimidate the workers.<sup>22</sup>

Notwithstanding these anti-union tactics, 1,263 Atlas workers supported the UE and only 110 chose the CDU. The company nevertheless refused to recognize the UE as the bargaining agent for Atlas workers. Management claimed that they had already signed a contract with the Atlas Workers' Independent Union. Three months after signing this agreement, the company arranged a vote under the supervision of a Toronto chartered accountants' firm to gauge the employees' attitude toward the agreement.<sup>23</sup> Frustrated by the company's blatant disregard for the democratic process, the UE urged its supporters to boycott the vote. Consequently, the vote's outcome suggested worker satisfaction with the CDU by a narrow majority.<sup>24</sup>

Atlas Steels moved to challenge the UE through the courts. Represented by Liberal Senator J. J. Bench, the company issued a writ against Ontario's Attorney General asking that Ontario's 1943 Collective Bargaining Act be declared *ultra vires* on the grounds that it conflicted with the War Measures Act. According to Senator Bench, an international association such as the UE could not qualify to represent workers engaged in the production of munitions and war supplies.<sup>25</sup>

Simultaneously, Atlas Steels challenged the right of the UE to represent its workers under the new Ontario Collective Bargaining Act, on the grounds that the UE's Atlas branch had not filed a constitution or the names of its officers with the Labour Court, the administrative agency charged with enforcing

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Industrial Relations and Registrar, Department of Labour, Ottawa, Re: Atlas Steels, Limited, Welland, Ontario, and Re: Vote of employees, 18 June 1943 and 22 June 1943, Industrial Disputes Inquiry, Atlas Steels, Department of Labour, RG 7 30 217, b354934, AO.

22. United Electrical, Radio and Machine Workers of America vs. Atlas Steels Ltd., Department of Labour, Applications for Certification, 1943-44, RG 7 60, box 1270767, file 12, AO ; RG 7 30, box b354934, file 217, Industrial Disputes Inquiry, Atlas Steels Ltd, AO.

23. *Globe and Mail*, 26 August 1943.

24. Mike Bosnich, "How the UE Transformed a Whole Community." C. S. Jackson fonds, vol. 6, file 7, LAC.

25. *Globe and Mail*, 10 August 1943.



the law. Moreover, according to Bench, the vote to determine workers' support for the UE was invalid because it was taken while an agreement between the company and the CDU was in effect. Despite the UE's argument that Atlas management's domination of the "independent" union rendered that union illegal under the Collective Bargaining Act, Ontario's Labour Court validated the contract with the CDU.<sup>26</sup> As Katherine Munro argues, the court's decision was flagrantly anti-union, and it set a dangerous precedent, allowing anti-union employers to form "independent" unions as a way to keep international unions out of their plants.<sup>27</sup> The Atlas Employees Association (for a time also named Canadian Steelworkers Union – Atlas Branch) would represent Atlas production workers until 1991. Significantly, Atlas workers refrained from striking for 25 years following the establishment of the plant union. The first strike at Atlas took place in 1968, when the company's office and technical workers established Local 7777 of the United Steel Workers of America.<sup>28</sup> Atlas production workers staged their first strike in 1973, fearing a wage freeze.<sup>29</sup> More strikes followed.

Not all efforts to establish company unions during the war succeeded. At the Electro-Metallurgical plant in Welland, for example, the manager called together representatives from each department in 1942, and showed them a wide range of possible contracts their employer was willing to sign provided they formed a company, or "independent" union. Despite the offer of funds to be used as the company union's executive pleased, Electro-Metallurgical employees rejected this proposal. Instead, they became the first group in Welland to join the UE.<sup>30</sup> In other Niagara plants, however, such as the largest employer in Niagara Falls, North American Cyanamid, CDUs prevailed. In at least one case, that of Gelling Engineering of Welland, moreover, management tried to undermine the UE by extending the mandate of the Labour Management Production Committee (established at government initiative during World War II to foster harmonious relations between management and workers) to matters that should have been covered by union contracts.<sup>31</sup>

Probably because they see CDUs such as the Atlas Steels Employees Association as ephemeral, students of the Canadian labour movement have

26. Atlas Steels Ltd. (Vote), Industrial Disputes Inquiry, Department of Labour, RG 7 30, box b354945 file 217, AO.

27. Katherine Munro, "A 'Unique Experiment': The Ontario Labour Court, 1943–44," *Labour/Le Travail*, 74 (Fall 2014): 219.

28. Strike 68-186, Department of Labour, Strikes and Lockouts, RG 27, vol. 3598, LAC.

29. *Globe and Mail*, 17 April 1973.

30. George Floss, History of UE Local 523, C. S. Jackson fonds, vol. 6, file 8, LAC.

31. Minutes of Labour Management Production Committee, 12 March 1951, Gelling Engineering, UE fonds, vol. 29, file 2, LAC. For an analysis of Labour Management Production Committees see Peter McInnis, *Harnessing Labour Confrontation: Shaping the Postwar Settlement in Canada, 1943–1950* (Toronto: University of Toronto Press, 2002).

paid scant attention to them. Even Laurel Sefton McDowell, one of the few scholars to study company unions, concludes her study in 1948.<sup>32</sup> She believes that company unions that remained in existence for more than a few years after the war came to resemble bona fide trade unions. Judging by the history of labour relations in the Niagara Peninsula, however, CDUs remained distinct from Trades and Labour Congress of Canada (TLC) or Canadian Congress of Labour (CCL) unions, as well as from the radical unions these labour federations expelled. Employers supported these CDUs during the period of industrial compromise as a way of keeping TLC- or CCL-affiliated and radical unions out of their plants. Indeed, employer support for CDUs was one of the main strategies of union avoidance. For this reason I refer to firms with plant CDUs as anti-union. The strategy persisted after World War II. Foster Wheeler, McKinnon Columbus Chain, and Packard Electric of St. Catharines, Joseph Stokes Rubber and Canada Foundries and Forgings of Welland, and North American Cyanamid of Niagara Falls, were some of the companies whose efforts to establish CDUs after the war were successful.

Niagara employers expressed their shared views of industrial unions and collective bargaining in 1943 in testimony to the Ontario government's Select Committee to Inquire into Collective Bargaining between Employers and Employees. Given our focus on CDUs, it is worth noting that while the main reason for the Committee's establishment was to ensure smooth wartime production, upon questioning by Co-operative Commonwealth Federation (CCF) activist and labour lawyer Andrew Brewin, Ontario's Minister of Labour Peter Heenan admitted that another reason was "the formation and control by employers in some cases of the organizations of their employees so that they are not generally independent and in a position to bargain as man to man, shall we say, i.e. company unions."<sup>33</sup> Thirty of the region's employers, including some of the largest ones such as Atlas Steels, McKinnon Industries, North American Cyanamid, and the Ontario Paper Company, organized a non-profit corporation named the Niagara Industrial Relations Institute (Niagara Institute), proclaiming their desire "to improve industrial relations between employers and employees in the Niagara peninsula and to formulate policies

32. Laurel Sefton MacDowell, "Company Unionism in Canada, 1915–1948," in Bruce E. Kaufman and Daphne Gottlieb Taras, eds., *Nonunion Employee Representation: History, Contemporary Practice, and Policy* (Armonk, N.Y.: M.E. Sharp, 2000), 118. On company unions as a union evasion strategy during the World War II see Wendy Cuthbertson, *Labour Goes to War: The CIO and the Construction of a New Social Order, 1939–1945* (Vancouver: UBC Press, 2012), 42–44, 111–112, and Munro, "Unique Experiment." For the postwar period see Robert Storey, "Unionization Versus Corporate Welfare: The 'Dofasco Way,'" *Labour/Le Travail*, 12 (Fall 1983); and Joan Sangster, "The Softball Solution: Female Workers, Male Managers, and the Operation of Paternalism at Westclox, 1923–1960," in Bryan D. Palmer and Joan Sangster, eds., *Labouring Canada: Class, Gender and Race in Canadian Working Class-History* (Don Mills: Oxford University Press, 2008), 246–264.

33. March 1943, p. 37, Select Committee to Inquire into Collective Bargaining between Employers and Employees, RG 49 116 vol. II, 2, AO.

for proper collective bargaining relations between employers and employees in that district.”<sup>34</sup> There was a great difference between this public statement and the Institute’s goals. The brief presented to the Select Committee by their lawyer, J. L. Gabriel Keogh, made clear that, in fact, the Niagara Institute opposed collective bargaining. It wanted to protect company unions and to limit the power of industrial unions that had succeeded in gaining a foothold in the area. Keogh’s ideal of labour relations was implicit in his description of Lightning Fastener, a zipper plant in St. Catharines. Fastener president Dr. Fox, he explained, held regular meetings with his employees and his door was always open to them. Consequently, they had no desire to form a workers’ association.<sup>35</sup> Keogh was adamant in his opposition to government intervention in relations between employers and employees. Despite the fact that many of the Niagara Institute’s members had kept industrial unions out of their plants by forming company unions during the war, Keogh claimed that legislation protecting collective bargaining was unnecessary since such bargaining had been firmly established in Niagara for many years.<sup>36</sup> In the name of individual rights, moreover, in language that presaged the “right to work” arguments that would be advanced by anti-union forces in later years, Keogh opposed closed shops and compulsory deduction of union dues. Individuals should have the right, he maintained, not to join unions and not to pay union dues. The employers’ lawyer also opposed voting by secret ballot on union affiliation. Hiding behind the secret ballot, he claimed, workers who did not intend to pay union dues could nevertheless vote for a union. Furthermore, the secret ballot allowed union organizers to garner majority support for the union by whipping “up a sentiment for the union of the most transitory kind, by inculcating a belief only by casting a vote for the union can the worker secure any benefit whatever.”<sup>37</sup> Keogh – so opposed to government intervention in relations between employers and workers – maintained that to protect the working-class public, union organizers – many of whom in his view were unethical and opportunistic – should be licensed by the government in the same way that real estate and insurance agents, stock-salesmen and brokers

34. Taylor Hollander suggests that the Niagara Institute was made-up of “enlightened” employers who favoured a compromise with labour. See “Making Reform Happen: The Passage of Canada’s Collective-Bargaining Policy, 1943–44,” *Journal of Policy History* 13, 3 (2001): 299–328. As this article makes clear, my reading of the views expressed to Ontario’s Select Committee and of the behaviour of these employers during and after World War II has led me to conclude that they were anti-union.

35. Select Committee to Inquire into Collective Bargaining between Employers and Employees, RG 49 116, vol. X, 998ff, AO.

36. Select Committee to Inquire into Collective Bargaining between Employers and Employees, RG 49 116, vol. X, 1001, AO.

37. Select Committee to Inquire into Collective Bargaining between Employers and Employees, RG 49 116, vol. X, 1008, AO.

are licensed, so that if they behaved inappropriately their licences could be cancelled.<sup>38</sup>

Legal recognition of workers' right to collective bargaining in Ontario in 1943, and across Canada a year later, did nothing to mitigate the profound distrust of industrial unions to which Keogh had given expression. Because labour demands that company unions be prohibited forced the Ontario government to forbid company interference with unions, the companies which had joined the Niagara Institute were now engaged in encouraging the establishment of so-called independent unions – the ones named CDUs here – in their plants.

Following the war, competition resumed between TLC, CCL and radical unions on the one hand, and CDUs on the other. In a contest between the Stokes Rubber Company Independent Union and the UE in 1943, for example, the majority of workers supported the UE. Before the first contract was signed, however, the company was taken over by the Thermoid Rubber Company of Trenton, New Jersey. The new owners were reluctant to sign the collective agreement, and did so only in 1945, following numerous modifications. A year later, the reconstituted CDU established links with the Canadian Federation of Labour (CFL) – a splinter group which broke away from the nationalist All Canadian Confederation of Labour in 1936 over the question of the amalgamation of Canada's two transcontinental rail lines – and successfully challenged the UE to represent the rubber workers. Such competition to represent Niagara workers continued in other plants into the 1950s.

A number of CDUs in Niagara collaborated or affiliated with the CFL. Nationalist arguments served as a cornerstone to the CFL's opposition to international unions. It described both the American Federation of Labor (AFL) and the CIO as "foreign-controlled trusts," purveyors of "alien and subversive doctrines." Such a position was particularly ironic given the many American branch plants among Niagara's employers. (The CFL, of course, made no mention of foreign ownership.) Like the Niagara Institute, the CFL professed to favour collective bargaining, while its chief goal was to fight against industrial unions.<sup>39</sup>

During World War II the CFL added racism to its arsenal. The federation attempted to discredit the leaders of competing unions by suggesting – often erroneously – that their "English" names hid their Jewish or Ukrainian identities. The real name of Pat Sullivan of the Canadian Seamen's Union (CSU) was Max Rosens or Rosenberg, claimed the CFL. Harry Davis, who replaced him as President of the CSU, was really Harry Popovich.<sup>40</sup> Although such crude

38. Select Committee to Inquire into Collective Bargaining between Employers and Employees, RG 49 116, vol. X, 1016-17, AO.

39. "CFL Calls on Province to Halt Mass Picketing, Repeal Bargaining Law," *Globe and Mail*, 24 January 1947.

40. Canadian Federation of Labor, Workers' Educational Association Research Bulletin no. 16,

allegations did not outlive the war, the CFL continued to use racist insinuations in its efforts to discredit bona fide unions. It claimed that workers' representatives on the Labor Relations Board were "members of certain minority groups and these 'minority group servants' do not disguise their hostility and bias when cases involving unions without 'foreign' affiliation are argued before them."<sup>41</sup> To increase its appeal, local officers of the CFL in Niagara continued to emphasize their British ancestry. Dave Ryan, president of the Canadian Steel Workers' Union (CSWU) at Foster Wheeler, for example, introduced himself thus: "I'm Scotch and Irish descent (sic) and proud of it." The description of Edgar Ettles, secretary-treasurer of the local, noted that he was born in England, while that of Bill Redman, a member of the bargaining committee, pointed out that he was "born Canadian, [he] thinks in terms of all Canadian for Canadian workmen."<sup>42</sup>

Red-baiting, another important part of the CFL's message, persisted and even intensified beyond the war years. The CFL warned that international unions, "the subversive element," were "flooding the air-waves and factories with obnoxious and antagonistic propaganda." Destroying confidence in management and befuddling the minds of workers were the weapons they used to create mass hatred, justify their refusal to compromise, and encourage strikes. Not only the communists, but the CCF-socialists aimed to use organized labour to destroy free enterprise.<sup>43</sup> "I Am Communism," an article in *The Tumbling Barrel*, the weekly published by the CFL-affiliated employee association of Joseph Stokes Rubber, introduced rubber workers to the totalitarian and godless character of communism: "I am the state supreme, the materialistic god. Everything and everybody is subjugated to my absolute power. I am the ultimate dictatorship." The article claimed that communism caused discord and disagreement within unions and dissension between employer and employee. It also destroyed the profit motive and individual initiative.<sup>44</sup>

Under this mantle of nationalism and anti-communism the CFL promoted distinctly anti-union, pro-management policies. In 1947, for example, Allan Meikle, president of the CFL, presented a memorandum to the Ontario Cabinet in which the Federation requested that the government repeal its collective bargaining legislation on the grounds that "it destroyed the very freedom it was meant to preserve." In an argument very much like the one advanced by the Niagara Institute, the CFL objected to compulsory check-off, which in its

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pp. 9-10, CLC fonds, MG 28 I103, vol. 26, file 7, LAC.

41. *Globe and Mail*, 24 January 1947.

42. "Here is Security for You and Yours," Foster Wheeler, Canadian Steelworkers Foster - Wheeler Division, Ontario Editorial Bureau Fonds (hereafter OEB), Brock University Library, Special Collections and Archives (hereafter BULSCA).

43. "Free Unions Needed for Peace and Prosperity," Foster Wheeler, Canadian Steelworkers Foster - Wheeler Division, OEB, BULSCA.

44. *The Tumbling Barrel*, 5, 6 (July-August 1948), 2, BULSCA.

view amounted to compulsory membership in unions of which workers may not have approved. The CFL's arguments about taxation presaged neoliberal arguments. Promoting tax reductions for businesses in its 1947 Declaration of Principles, the CFL declared: "It is self-evident that an impoverished and tax-burdened industrial machine will be reflected in an impoverished citizenship."<sup>45</sup>

Rumours suggested that CFL publications were heavily subsidized by the CPR. Whatever the source of its funding, by 1946 the CFL was barely surviving. At a time when its president claimed to represent 300 000 Canadian workers, according to the federal Department of Labour the CFL had only one chartered local with 220 workers.<sup>46</sup> Nevertheless, before 1949, Niagara employers such as Plymouth Cordage, Atlas Steels, Joseph Stokes Rubber, Hayes Dana, Foster Wheeler, and McKinnon Columbus Chain, willingly collaborated with the CFL. The purported labour organization offered a useful cover for their anti-union activities.

The Plymouth Cordage Company was among the first Niagara employers to team up with the CFL. The company had established a plant council in 1935. According to F. C. Holmes, treasurer of the cordage company, the plant council merely gave formal expression to the spirit of co-operation and fair play that had always characterized relations between workers and management. The long-term interests of the employees and the company, according to management, were "the same, and not antagonistic."<sup>47</sup>

The workers elected five representatives who met with management to discuss matters of concern to them. The council's function was "to consider and make recommendations relating to policies." All policies, however, were put into effect by management, subject to review by the plant council. It was also made clear that this would sometimes mean co-operation with management "in the introduction of new methods of work."<sup>48</sup> In other words, the council would not simply act in an advisory capacity to management, but would also help implement new policies even if they were "for a time" unpopular.

In 1946–47, when the AFL-affiliated UTWA attempted to draw workers of the Plymouth Cordage Company of Welland into its ranks, and again in 1949, when the Plymouth Cordage Employees Association was trying to defeat Local

45. "Declaration of Principles, CFL, Executive Report to General Convention, St. Catharines, November 1947, OEB fonds, McKinnon Columbus Chain file, BULSCA.

46. Norman S. Dowd, Executive Secretary to Wm. Doherty Canadian Radio Officers' Association, 9 May 1946, General Correspondence, CFL 1945–1949, Canadian Labour Congress, MG 28 I103, vol. 206, file 7, LAC. According to the Department of Labour, the CFL had 7695 members in 1942 and 3332 members in 1946.

47. Statement of Mr. Holmes, Minutes of the Inaugural Meeting, 10 August 1933, Welland Plant Council Records, F-37, 11 December 1934, PCC Council Records, Plymouth Cordage Company Collection (hereafter PCC), Harvard Business School, Baker Library (hereafter BL).

48. Labor, Employee Representation, Mr. Brewster's Files, O-6, PCC, BL.



174 of the UTWA, the CFL was working behind the scenes on behalf of the ostensibly independent Employees Association, signing up workers and publishing a plant newsletter in support of a CDU.<sup>49</sup> The arguments advanced by the Association to persuade Cordage workers not to join the UTWA were identical to ones advanced by the CFL. Depicting the UTWA organizer as a greedy, selfish, foreign troublemaker, interested only in bilking cordage workers, it offered inexpensive membership in the Association whose leaders were local and known by fellow workers. “Why pay \$1.50 when you can get the same results for less?” The company newsletter warned Cordage workers that the communist-led UTWA would lead them into illegal strikes.<sup>50</sup> By 1948, probably because the Cordage Workers chose to support the UTWA rather than the Employees Association, the CFL denied any links to the Plymouth Cordage Company.<sup>51</sup>

At the Foster Wheeler plant in St. Catharines, initial attempts to reorganize the Employee Council as a division of the CFL in response to a United Steelworkers of America (USWA) organizing drive failed. In 1945, the Ontario Labour Relations Board – which had replaced the Ontario Labour Court – ruled that the company showed clear favouritism, allowing the employee association to campaign and to distribute information in the plant while denying the USWA freedom to do the same, and that the transformation of the Employee Council to the Foster Wheeler Association had not received the approval of the majority of workers in the plant.<sup>52</sup> This company tactic, however, did lead the USWA to abandon its effort to organize Foster Wheeler Workers. In 1947, this time in response to a UE organizing drive, a CDU affiliated with the CFL succeeded in becoming the bargaining agent for Foster Wheeler workers. The Ontario Labour Relations Board was not persuaded by Andrew Brewin, the UE’s lawyer, that the company’s payment for the lawyer who represented the CDU in its bid for certification constituted unacceptable interference.<sup>53</sup> The Canadian Steelworkers Union would remain the plant’s bargaining agent until 1964.

This CDU was the first in Niagara to identify itself publicly as a division of the CFL’s Canadian Steelworkers Union. A year later it was followed by McKinnon

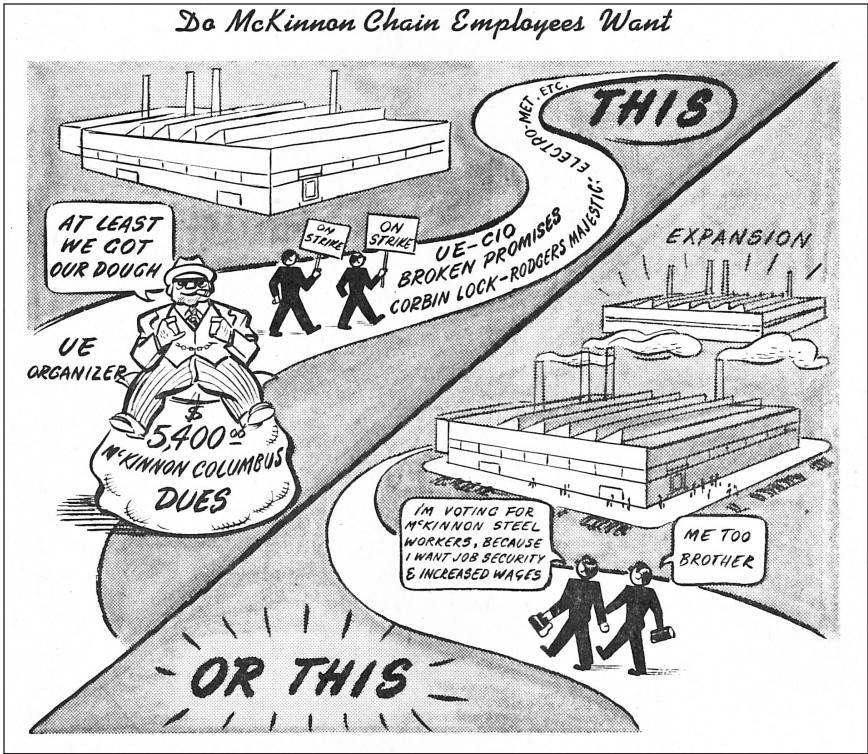
49. C.R. Sullivan, Business Agent, UE to R. Kent Rowley, 24 January 1947, Parent-Rowley fonds, MG 31 B19, vol. 2, file 15, LAC.

50. Plymouth Cordage Employees Association, 14 April 1949, Madeleine Parent and R. Kent Rowley fonds, MG 31 B19, vol. 2, file 25, LAC.

51. OEB, “Memo Re McKinnon Columbus Chain,” n.d., McKinnon Columbus Chain, OEB, BULSCA.

52. Re: Foster Wheeler Ltd., 23 January 1945, Ontario Labour Relations Board, Canadian Labour Congress fonds, MG 28 I 103, vol. 42, file 14, LAC.

53. Application for Certification Foster Wheeler Limited, St. Catharines, Ont. Ontario Labour Relations Board. UE fonds, MG 28 I 190, vol. 28, file 2, LAC.



"Do McKinnon Chain Employees Want..." The McKinnon Columbus Chain Steel Workers Unionist, 1948.

Courtesy of Brock University Library, Special Collections and Archives.

Columbus Chain, a St. Catharines subsidiary of General Motors.<sup>54</sup> "Security" was the central plank in the campaign of the Canadian Steelworkers-Foster Wheeler Division. Unlike industrial unions such as the USWA, in whose publications security generally meant union security based on automatic dues deduction – a goal abhorrent to the CFL, for the CDU security meant secure employment, free from disruption by strikes. It promised its members job security with "progressive employee betterment" without resorting to strikes. "The choice is clear," wrote the newsletter ostensibly published by the Foster Wheeler division of the union, the Canadian Steelworkers' "executive members are NOT fabulously-paid [*sic*] organizers, but men who work side by side with Foster Wheeler employees." The newsletter contrasted the CSWU with the "monopolistic CIO," whose union organizers "paid to trample on the principles of CANADIAN trade unionism; paid to crush all independent-thinking opposition." As the Cold War intensified such promises were coupled with

54. *St. Catharines Standard*, 11 March 1966, 44.

red-baiting. According to the CFL, “an international, communistic group,” was responsible for the postwar labour strife, which demanded from “an employee senseless hardships” for “sinister political gains.”<sup>55</sup>

The CFL’s usefulness ended after 1949, when revelations about internal conflict and financial irregularities publicly discredited it.<sup>56</sup> Niagara employers, however, continued in their efforts to establish CDUs throughout the 1950s.

At Packard Electric in St. Catharines, for example, the UE, which had narrowly failed to gain majority support from workers in 1944, renewed its organizational efforts when Ferranti Electric, whose workers the UE represented, took over the St. Catharines company in 1956. In response, Packard management encouraged the Packard Employees Council, which had acted for the workers without having been formally constituted as a labour union, to meet the requirements of the Ontario Labour Relations Board by adopting a constitution, electing its officers, collecting dues, and holding a vote to determine whether it enjoyed the support of the majority of Packard’s employees. The Packard Employees Association thus came to represent workers at the St. Catharines Plant.<sup>57</sup>

## Public Relations and anti-Unionism

ALTHOUGH CANADIAN EMPLOYERS had supposedly come to accept organized labour after World War II, in fact, many of them, including Niagara employers, also turned to public relations firms to prevent the growth of union power and political radicalism. These firms helped management to disseminate its perspectives on industrial relations and wider economic and political questions both to their employees and to the communities in which their plants were located. American students of public relations see the reliance on such firms as a move to substitute persuasion for the harsh management tactics to discipline workers which earlier characterized management policies.<sup>58</sup> Historians in Canada have paid little attention to such public relations campaigns during the postwar decades.<sup>59</sup> Yet these campaigns reveal a great deal about Canadian employers’ attitudes toward workers and unions during the period of supposed compromise. The methods employed by management

55. *The Canadian Steelworker*, October 1951. (There is more than one issue for this month, marked vol.1, 2, 3).

56. Edward C. Cluney, Director, Textile Workers Union of America, Greater Toronto Textile Joint Bd., to Pat Conroy, Secretary Treasurer, CCL, 12 January 1949, CLC fonds, MG 28 I 103, vol. 206, file 7: General Correspondence Canadian Federation of Labour, 1945–1949, LAC.

57. UE fonds, vol. 40, files 50–53, LAC.

58. Howell John Harris, *The Right to Manage: Industrial Relations Policies of American Business in the 1940s* (Madison: University of Wisconsin Press, 1982), 39; Jacoby, *Modern Manors*, Introduction.

59. One exception is Don Nerbas, “Managing Democracy, Defending Capitalism.”

and public relations personnel in their campaigns, as we shall see, should perhaps be more accurately described as manipulation of public opinion rather than persuasion.

Most Niagara employers relied on the services of the Ontario Editorial Bureau (OEB) of St. Catharines to manage their public relations. The OEB was established in the mid-1930s, one of the earliest public relations companies in Canada, when the pulp and paper industry engaged it to communicate new developments and revival in the industry. Its records, held by Brock University's Special Collections and Archives, afford an opportunity to examine the nature and significance of the collaboration between private enterprise and public relations firms in the postwar period. Soon local firms, such as Foster Wheeler, Lightning Fastener, McKinnon Columbus Chain, McKinnon Industries (General Motors), North American Cyanamid, Thompson Products, and Welland Vale, also employed the OEB's services. These companies all belonged to the Niagara Institute, which had by and large withdrawn from the public stage after the war, but continued its anti-union campaign behind the scenes, in close collaboration with the OEB.

The public relations firm became an important player in the contest between the industrial unions and CDUs in local plants. In 1947, for example, it oversaw a campaign to replace United Automobile Workers (UAW) Local 676 with Hayes-Dana Independent Machine and Forge Workers Union. The Merriton Company employed about 800 workers to produce automotive parts. The OEB's bill for service rendered to Hayes-Dana management indicated that OEB staff had consulted such key players in the Niagara Institute as Senator J. J. Bench, and lawyers Gabriel Keogh and Colonel Rose. Meanwhile, in public meetings with Local 676 that year, the company's officials spoke of the harmonious relations between management and labour. Despite the efforts of this high-powered anti-union team, Hayes Dana workers remained loyal to the UAW.<sup>60</sup>

In 1950, Louis Cahill, the OEB's founder, solicited comments from the manager of the Niagara Institute concerning the presentation he planned to make to Atlas Steels management to convince them to employ OEB's services. In his detailed response, the Institute manager recommended that Cahill include an explanation of the importance of a carefully planned public relations programme, given that "the trade union situation in Welland and the type of trade union, demands one."<sup>61</sup>

The OEB published – and company managers paid for – the newsletters of the Niagara divisions of the CFL-linked Canadian Steelworkers Union. In fact,

60. Hayes-Dana, file: Independent Machine and Forge Workers Union, newspaper clippings; Louis J. Cahill to J. W. Primeau, vice-president and general manager of Hayes Steels Products, 3 February 1947 OEB, BULSCA.

61. Niagara Industrial Relations Institute manager (signature illegible) to Louis Cahill, 1 September 1950 Atlas Steels, OEB, BULSCA.

when the CSWU was organizing at McKinnon Columbus Chain, the initiative for a newsletter's publication came from the OEB. In a letter to J. Cahill, director of public relations at McKinnon Industries Limited (McKinnon Columbus Chain's parent company), Louis Cahill of the OEB wrote: "I am enclosing two copies of a newspaper which is prepared by this office on behalf of the CSWU, Foster Wheeler Division. This newspaper, I am told, was most effective in getting this particular message across to the employees of Foster Wheeler."<sup>62</sup>

Management accepted the OEB's suggestion. The newsletter contained advertisements for upcoming meetings and social events, reported on membership and other meetings by the McKinnon Columbus Chain and other divisions of the union. The cartoons it carried offered striking publicity to contrast "independent" and industrial unions. Identical cartoons, bearing the names of other companies where the CFL was active, appeared in the newspapers the OEB published for other "independent" unions in other local factories.

Another clear indication of employer domination of so-called independent unions were the letters ostensibly sent by the CSWU's local officers to fellow workers, in fact written by OEB staff and paid for by the employer.<sup>63</sup> Ironically, one of these began with the following words: "Dear Fellow Employee: During the past few weeks McKinnon Columbus Chain employees have been subjected to attacks and unjust criticism because they dared to decide for themselves that they will have no part in an International Union which is operated and controlled by paid professional agitators." The letter was signed by the president of the local division of the Canadian CSWU.<sup>64</sup> A message supposedly from the CSWU's plant committee ended with the words: "the above officers of the Union are out to do a job for every McKinnon Columbus Chain hourly rated employee in the Plant, men employees, girl employees. There will be no distinction shown. You need us.... We need you if we are to preserve our independence. It's worth fighting for."<sup>65</sup> Another irony was that even as the CFL accused "the subversive element" of flooding the "air-ways and factories with obnoxious and antagonistic propaganda," the OEB composed talks given by the "independent" CSWU's local officers at public meetings and over the radio.<sup>66</sup>

The OEB also drafted letters that management sent to workers on important occasions such as the distribution of annual bonus cheques. It advised managers on how the letters should be printed, addressed, and signed to lend them as personal an appearance as possible. Louis Cahill, for example,

62. Louis J. Cahill to M. J. Cahill, Director of Public Relations McKinnon Industries Limited, 11 November 1947 McKinnon Columbus Chain, file: correspondence 1947, OEB, BULSCA.

63. See, for example, 17 October 1947 bill Foster Wheeler, file: 1947, OEB, BULSCA.

64. V. B. Williams, President, Canadian Steelworkers Union, McKinnon Columbus Chain Division, 20 November 1947, McKinnon Columbus Chain, OEB, BULSCA.

65. "Meet the Committee," n.d., McKinnon Columbus, OEB, BULSCA.

66. See, for example, radio talk by D. G. Cown, Atlas Steels, on 6 February 1948, Correspondence 1948, OEB, BULSCA.





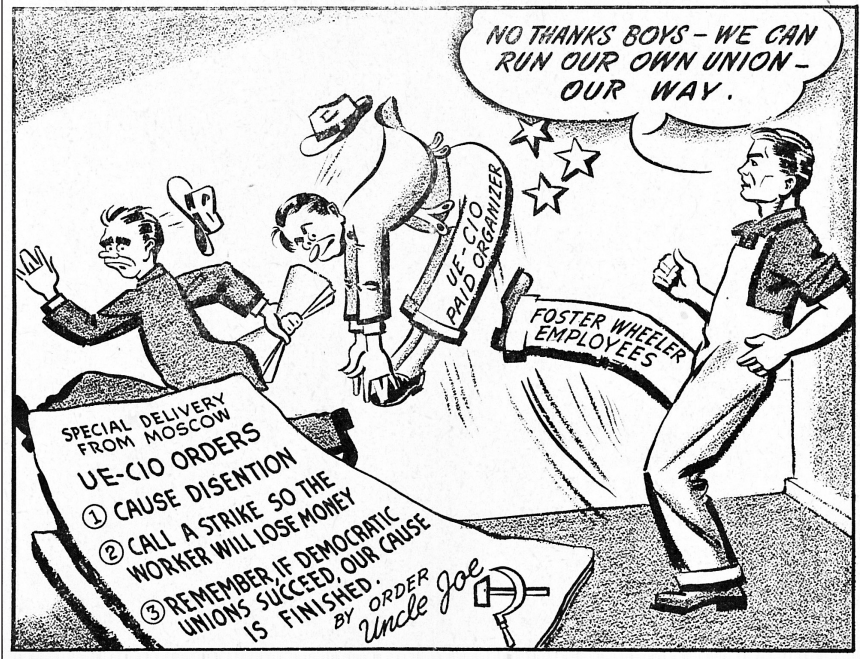
The Ontario Editorial Bureau published the same cartoon, changing only the names of the employees concerned, in the *Foster-Wheeler Steelworkers Unionist*, 1, 3 (1947) and in a Plymouth Cordage Employees Association publication in 1949 (see next page).

Courtesy of Brock University Library, Special Collections and Archives, and Library and Archives Canada (Madeleine Parent and R. Kent Rowley fonds).

drafted a letter that the president of McKinnon Columbus Chain was to send to employees to accompany bonus cheques sent to his employees in 1948. This letter, Cahill counselled, should be an opportunity to exhibit management's interest in the welfare of each employee. The letter reminded workers that McKinnon Columbus Chain was one of the few manufacturing firms to pay a bonus annually, that the payment was made possible by efficient production and profitable sales, and that the "success of the company is dependent largely on the co-operative effort of both employees and management." As evidence of the advantages of such co-operation it also mentioned the generous benefits that the company offered, while emphasizing that the company experienced shortages and needed the "fullest co-operation of each employee."<sup>67</sup>

67. Louis J. Cahill to A. L. McKinnon, McKinnon Columbus Chain Ltd., 18 June 1948, and draft of letter to be sent under the signature of A. L. McKinnon to McKinnon Columbus Chain workers, June 1948. A year earlier, Morgan Jones, an employee of the OEB, sent an "employee letter" to M. J. Cahill, with the note: "We are pleased to enclose the 'Employee Letter'" which carried Mr. Macnoe's signature of Foster Wheeler Limited. Macnoe was president and general



*Our Answer to Communistic Interference . . .*

Anti-union employers generally believed that to get their workers' full co-operation they would have to reach out to their families. One way of doing so was to sponsor tours of the factory for the families, so they would "have an opportunity to see where and how the man of the family works." At Thompson Products – manufacturer of auto engine, auto chassis, aircraft parts, and detachable drill bits for mines – according to a company publication, "one of the things that many of the wives remarked on at the last Open House was how clean, neat and airy the shop is kept."<sup>68</sup> At Foster Wheeler, a souvenir booklet of the 1966 family day explained what the factory manufactured, some of the equipment used in production, and listed the countries in which the products were sold. "The people of Foster Wheeler Limited are those who will determine the future of the company," wrote company president Allan A. Irvine. "With the loyalty and support of their families, we shall continue to grow, to create new and better products for our customers and to provide new and better jobs in our community."<sup>69</sup> In the case of Lightning

manager of Foster Wheeler, Ltd. Morgan Jones to Martin J. Cahill, 17 June 1947, McKinnon Columbus Chain, Correspondence 1948, OEB, BULSCA.

68. "Touring Thompson Products," Thompson Products, file: 1952, OEB, BULSCA.

69. "Foster Wheeler Limited: Family Day," 12 November 1966, Foster Wheeler OEB, BULSCA.

Fastener, the OEB suggested on the occasion of an upcoming vote on bargaining representation that management send copies of the proposed agreement between the shop committee and the company to the homes of employees.<sup>70</sup> Significantly, although women comprised about one quarter of Niagara's paid workers,<sup>71</sup> employers' campaigns rested on the assumption that the families of their workers were made up of a male breadwinner and his stay-at-home wife and children.

Some union-resistant companies called upon their workers to intercede on behalf of their employers with local governments. The president and general manager of Thompson Products, for example, appealed to its workers who resided in Grantham Township in 1951 to support a by-law authorizing a fixed assessment to a new plant it planned to build there to manufacture airplane parts, "a new industry which has a vast potential in international security and beyond to domestic development."<sup>72</sup> He assured them that as employees of the existing plant (located across the street from the planned one) they would be given every opportunity for advancement to supervisory and other key employment in the new division. Atlas Steels foremen successfully ran for office on the Crowland Township Council, where they supported fixed assessments for their employer, against the councillors affiliated with the UE who believed that Atlas could afford greater contributions to education, relief, and local improvements.<sup>73</sup>

To demonstrate manufacturers' loyalty to the communities that housed them, the OEB placed articles and even editorials describing community work by its clients, as well as advertisements, in local newspapers and radio programmes.<sup>74</sup> Louis Cahill, for example, wrote the following note in December 1946 to T. J. Cook of McKinnon Columbus Chain: "I am attaching herewith a copy of an editorial which appeared in the St. Catharines Standard on December 18th and which I discussed with you prior to its publication. I trust that the message contained in the editorial is in keeping with what you desired in this matter."<sup>75</sup> The editorial sheds light on one of the most contentious elements of Ontario's new industrial relations act: seniority. The OEB used an argument calculated to appeal to many readers in the immediate aftermath of

70. Louis J. Cahill to H. G. Fox, K. C., 2 April 1947, Lightning Fastener, OEB, BULSCA.

71. Calculation based on figures from the 1951 census for Niagara Falls, St. Catharines and Welland.

72. George A. Stauffer, President and General Manager, Thompson Products Ltd., 26 December 1951, Thompson Products, file Jan/52, OEB, BULSCA.

73. Mike Bosnich to Jack Douglas, 22 November 1947, UE fonds, MG 28, I 190, Reel M2340, Welland Office, 1947, LAC.

74. Louis J. Cahill to A. L. McKinnon, 12 February 1948, Note concerning C.K.T.B. broadcast about McKinnon Columbus Chain workers' vote approving the CSWU as their representative, Correspondence, 1947, OEB, BULSCA.

75. Lou Cahill to T. J. Cook, 24 December 1946, Correspondence, 1947, OEB, BULSCA.

World War II to challenge the principle of seniority, a key union goal. “Many of our finest young people,” the editorial stated, “went direct from school to the services. These veterans have no rights under the Act. Many companies would like to give them seniority rights so that they may be hired in competition with other workers who started with the company since the start of the war. This the unions will not agree to.”<sup>76</sup>

The broader message that the OEB helped employers to disseminate concerned the importance of defending the free enterprise system. *The Foster Wheeler Steelworker Unionist* relied on John Kuhi, an Estonian “displaced person” who found work at the plant, to present the advantages of Canada’s free enterprise system over communism. “John knows something about communism and its dangers,” stated an article in the newsletter, “for the Reds have overrun his peace-loving nation, and today there is no free labor movement in Esthonia (sic). Freedom in all its forms has been abolished.” “Because of his familiarity with the evils of communism and his love for his new homeland, where he is making a living for his wife and family,” John Kuhi supported the CSWU’s Foster Wheeler division.<sup>77</sup> Thompson Products management proudly spoke of the special contract it accepted arising out of the Korean Conflict, and emphasized the company’s role in defending the security of the United States and Canada.<sup>78</sup>

Because militant unions in which communists played leading roles were influential in Niagara, the OEB also gathered information about the activities of the Communist Party in the region. In 1947, for example, Louis J. Cahill, the OEB’s founder, sent copies of the minutes of the regional meetings of the Labor Progressive Party (LPP, the name then used by the Communist Party of Canada) to T. J. Cook, president and general manager of McKinnon Industries.<sup>79</sup> The minutes discussed plans for campaigns to convince industrial workers to join the LPP through leaflets, newspapers, meetings, and banquets. During the 1953 strike by UE Local 536 at the Cyanamid plant in Niagara Falls, the OEB collected information for the company about the links between the UE and its personnel and Communist Party.<sup>80</sup>

Although a number of Niagara’s anti-union firms were subsidiaries of American companies, they appear to have relied far less than their American counterparts on attitude surveys as a way of managing their workers.<sup>81</sup> The

76. *St. Catharines Standard*, 18 December 1946.

77. *The Foster Wheeler Steel Workers Unionist*, 1, 1, n.d., Foster Wheeler, OEB, BULSCA.

78. “JDW Talk to Canadian Old Guard,” April 5, 1952, Thompson Products, file: Jan/52, OEB, BULSCA.

79. Louis J. Cahill to T. J. Cook, President and General Manager, McKinnon Industries Ltd., 12 November 1947, McKinnon Columbus Chain, file: 1947, OEB, BULSCA.

80. June 1/53 to Aug 31 General, North American Cyanamid, OEB, BULSCA.

81. On the United States see Howell John Harris, *The Right to Manage*, 29, 266–267, 271;

North American Cyanamid Company did conduct some surveys among workers in its Welland and Niagara Falls plants in 1953, first when the UE was trying to replace the Cyanamid Independent Union in Niagara Falls as the bargaining agent for these workers and also when workers of the Niagara Falls plant went out on strike. The introduction to the first survey explained that its purpose was to find out the workers' "real needs and desires," so that the company could act to better conditions. One thousand and sixty-eight workers in Welland and 990 workers in Niagara Falls responded to the survey. The questions attempted to gauge worker opinion of wages, working conditions, pensions, communication with management and supervisors, and fairness in the assignment of work. The responses revealed that the main sources of dissatisfaction among production workers were Cyanamid's pay rates which were considered to be below average for the region. A significant number of workers believed that the company pension or retirement plan were unsatisfactory. Many of them were also bothered by the favouritism shown in job assignment. To indicate the sincerity of management's concern about the unease of its workers, and presumably to suggest that it would be responsive to workers' concerns, the company published the survey's results in a special edition of its newsletter, *Cyanamid News*.<sup>82</sup> Cyanamid workers, however, were clearly mistrustful of management's intentions. A short time after completing the survey, employees of the Niagara Falls Cyanamid plant chose the militant UE to represent their interests.

In 1953, when Cyanamid's Niagara Falls workers walked off the job, OEB personnel conducted a survey among the city's residents in order to help the company plan how best to deal with the strike. The strike was provoked during negotiations for the UE's first contract, when the company withdrew rights that it had accorded workers when they belonged to a CDU.<sup>83</sup> Most importantly it now opposed voluntary revocable dues check off and consultation with the union over disputes concerning seniority and grievances, rights generally recognized by both unionized and anti-union employers in the region by the 1950s.<sup>84</sup>

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Jacoby, *Modern Manors*, 43–44, 220–228.

82. *Cyanamid News: Special Edition: What We Find*, 1953.

83. North American Cyanamid Limited (Niagara Plant), 1953–54, Correspondence of the Deputy Minister of Labour, RG 7 12, AO.

84. Report marked "confidential," North American Cyanamid, June 1/53 to Aug 31/53 General. OEB, BULSCA.



Employer-sponsored cartoon depicting corporate welfare as indicative of the advantages of the Canadian Steelworkers (Foster Wheeler Division) over industrial unions, the *Canadian Steelworker Foster Wheeler Division*, October, 1951.

Courtesy of Brock University Library, Special Collections and Archives.

## Corporate Welfarism

NIAGARA EMPLOYERS WERE NOT CONTENT to restrict their campaigns against industrial unions to persuasion. Employers also used corporate welfarism in their competition with industrial unions to obtain, strengthen, or regain employee loyalty and consent to management policies. In the case of some Niagara companies, such as the Plymouth Cordage of Welland, corporate welfare plans dated back to the early 20th century. However, many other firms saw the introduction of welfare plans only in the post-World War II years, as a reaction to the spread of industrial unionism in Niagara. These latecomers could rely on help from the OEB, which also advised employers whose workers had joined industrial unions and did not hesitate to strike when employers refused their demands. McKinnon Industries Ltd., for example, the largest St.



Catharines employer, whose workers joined the UAW and had gone on strike in 1948, was an OEB client.

Although there are a number of excellent studies of corporate welfare plans introduced after World War I to counteract worker radicalism throughout Canada, we know next to nothing about similar corporate strategies following World War II.<sup>85</sup> An American study, *Modern Manors*, by Sanford Jacoby, provides valuable suggestions about the importance of this field of inquiry. Jacoby argues that for a long time scholars were so caught up in understanding the new labour relations of unionized companies that they overlooked the success and even expansion of corporate welfarism among non-unionized companies. As Jacoby shows, these plans were not just empty words hoodwinking gullible workers. Workers in non-union companies refrained from joining industrial unions because they gained significant benefits from corporate welfare plans.<sup>86</sup> The ability of companies to develop elaborate welfare plans depended on their size and resources. The willingness of some small- and medium-sized Niagara companies to adopt such strategies at great expense suggests these employers' determination to convince their workers of the shared interests of workers and management. In many cases their plans bore fruit.

Jacoby also offers a useful classification of corporate welfare plans. He describes company newspapers like those we have been considering, and company athletic and recreational programs, as soft welfare programs. Hard welfare plans, according to Jacoby, are pecuniary. They include pensions, health benefits, profit sharing, and credit unions.<sup>87</sup> Niagara's anti-union employers employed both types of welfare programs. In some cases established welfare programmes acquired new meaning in the new labour relations era, in other cases firms responded to evolving regulations by introducing new policies.

The Plymouth Cordage Company, the first to introduce an extensive corporate welfare program in Niagara, succeeded in keeping the UTWA out of its plant for all but one year until 1957. Because Welland was still a very small town when the firm, a branch of a rope and twine manufacturer in Plymouth, Massachusetts, built its Canadian factory there in 1905, it also built new housing for its workers. Soon thereafter it created a rich recreation program that included a community hall which housed a library, billiard tables, and a bowling alley for the workers, sewing and cooking classes for employees' daughters, and carpentry classes for their sons. The Plymouth Cordage band,

85. On corporate welfarism between the two world wars see, for example, Margaret E. McCallum, "Corporate Welfarism in Canada, 1919–1939," *Canadian Historical Review* LXXI, 1 (1990): 46–79; H. M. Grant, "Solving the Labour Problem at Imperial Oil: Welfare Capitalism in the Canadian Petroleum Industry, 1919–1929," *Labour/Le Travail* 41 (Spring 1998): 69–95; Robert Storey, "Unionization Versus Corporate Welfare: The 'Dofasco Way,'" *Labour/Le Travail* 12 (Fall 1983): 7–42; Joan Sangster, "The Softball Solution."

86. Jacoby, *Modern Manors*, 179.

87. Jacoby, *Modern Manors*, 248–250.



comprised entirely of Italian workers, practiced at the hall. Workers and their families, many of them organized in company sports teams, had use of the tennis courts, football field, lawn bowling green, and supervised playground on the company grounds. At an annual fair, prizes were awarded to the company's workers for the best shade trees, vines, kitchen and flower gardens, poultry yards, drawing, photography, basketry, cooking, and for sporting achievements. The cordage company also reached beyond its own employees. It demonstrated its commitment to the wider Welland community by donating land for a school site, to the local parks commission, and to the Methodist and Greek Orthodox churches, and by contributing funds for a local hospital.<sup>88</sup>

The Plymouth Cordage Company also offered its employees hard welfare programmes. It introduced profit sharing in 1918. In 1931 it added a credit union, a sick benefit society, and an insurance plan and in 1934–35, a plant council which brought together workers and management to discuss matters of concern to both parties. Company officials insisted that the new plan of industrial relations was fundamentally different from a paternalistic welfare plan. They called it “social business.”<sup>89</sup>

Yet the welfare plan, imported from the United States, was decidedly paternalistic. A company welfare official explained that encouraging workers to keep gardens, for example, was a way of encouraging good working habits: “contact with the soil is healthy, it makes men constructive, because they see how much work it takes to produce, and how easy it is to destroy by neglect or badly directed effort.”<sup>90</sup> The irony of purporting to rely on agricultural work to instill good working habits among workers of rural origin that were all too familiar with such labour completely escaped this official. He, like other managers of corporate welfare at this time, believed that “foreign” workers were especially in need of guidance. They attributed unrest among such workers to their “simple and childlike” nature, which explained why they were “easily led and stirred for good or for evil.”<sup>91</sup> Their plans perpetuated existing class, race, and gender inequality. The Plymouth Cordage also offered cooking classes for the daughters of its workers, “to teach young girls how to prepare good food economically.”<sup>92</sup> The company encouraged the participation of foremen,

88. Industrial Relations, PCC, HE, topical files, Harvard University, Baker Library.

89. Report by P. W. Viets (Head of Department of Industrial Relations, 1927–1937) n.d., Mr. Brewster's Files, O 6 Labor, PCC, Harvard University, Baker Library.

90. B. Preston Clark, Chairman, Industrial Homes and Gardens, n.d., PCC, H 3 Topical Files, Industrial Relations, Welfare, Harvard University, Baker Library.

91. “The Present Unrest,” speech by Mr. Clark, 1913, PCC, H 3, Topical Files, Industrial Relations, Labor, Harvard University, Baker Library.

92. S.E. Morrison, *The Ropemakers of Plymouth. A History of the Plymouth Cordage Company, 1824–1949* (Boston, 1950), 94.

overseers, and workers in its men's club to promote harmonious relations and to help "make real men of all of us."<sup>93</sup>

While company housing and industrial nurses offered clear benefits to employees and their families, such policies also enhanced the company's ability to control and discipline workers. The threat of eviction could be invoked when management disapproved of a worker's conduct. A worker of Italian origin whose father worked at Plymouth Cordage, for example, recalled that the plant manager called him when his father's drinking started to interfere with his work. "Look," the manager told him, "you live in a company house, if he keeps this up we're gonna fire him." When his father continued drinking and the manager openly threatened to evict the family, the son saw no choice but to enter the company's employ himself.<sup>94</sup> The company's industrial nurse visited employees who stayed away from work partly to look after their health, but also to ensure that they were not feigning illness. The Cordage management's paternalism was best captured in one of its internal memoranda:

Company housing, group life insurance, sickness insurance, wage retirement etc. are indirect wages. It would be simpler by far for the company to dispense the cost of these aids in cash but in that case the prospect of real betterment of employees would be lessened. Generally speaking if left to the working man reserves for his security would never be accumulated.<sup>95</sup>

Workers' support for the UTWA as their bargaining agent in 1948–49 at Plymouth Cordage suggests that despite the company's elaborate welfare policies, many workers were not convinced that the employer was committed to serving their interests. After the first contract expired, however, a majority of cordage workers voted to return to their employee association. Judging from the leadership of the employee association, its base of support was among the older employees who, with some reservations, continued to see the company as a "good employer." That the experiment with the international union was short-lived is attributable to a number of factors. Most importantly, when the contract with the UTWA ended, the company laid off about 100 younger workers, some of whom were union activists. On the eve of the vote to choose a union to represent them, moreover, the workers were offered the opportunity to buy lots from the company at advantageous prices.<sup>96</sup>

93. R. W. Brown, Supt., 5 April 1922, PCC, H 3 Topical Files, Industrial Relations, Welfare – Social Work, Harvard University, Baker Library.

94. Interview with M.T., Welland, November 1985.

95. Memorandum dated 13 April 1936, Welland Plant Council Recors, PCC, Labor, F 38, Harvard University, Baker Library.

96. George V. Beckett, Intl rep of UTW to D. W. Mather Chief Executive Officer, Ontario Labour Relations Board, 28 June 1949, Local Union Files, vol. 2, file 14, Local 174, Plymouth Cordage Ltd. Correspondence 1947, Parent–Rowley fonds, MG 31 B19, LAC; Plymouth Cordage, Co., Welland, 1948, Conciliation, Mediation and Arbitration files, RG 7 30 0 927, AO.

Not until the cordage company fell on hard economic times because of declining demand for binder twine in Canada and internationally did its workers join an affiliated union once more. This time they became members of the United Steelworkers of America. In May 1957 cordage workers openly challenged the supposed mutuality in the relationship between capital and labour. They responded to an unsatisfactory wage offer by walking out on strike for the first time in the Welland plant's history.<sup>97</sup>

A statement by Thompson Products of St. Catharines – another company whose welfare program predated World War II – described the character of postwar corporate welfarism thus: “In the old days no one gave any thought to human relations. Now, at Thompson we recognize that half our waking hours are spent at work. So we follow the Golden Rule. We have set a rigid policy that people who work for Thompson are to be treated with consideration and with dignity and respect.”<sup>98</sup>

As a mark of such respect, control over the company's recreation programs and even some of its welfare programs, was in the hands of its Old Guard, an association of employees who had worked for the company for more than five years.<sup>99</sup> The preponderance of skilled workers at Thompson products helps to explain this emphasis. In addition to satisfying the employer's interests, however, the status accorded workers' length of service corresponded to an important worker objective: seniority rights. That objective was a key reason for Niagara workers', especially immigrants who suffered from employment discrimination, support for labour unions. At Thompson Products both the plant union's contract and the firm's welfare plans expressed support for this goal.

During the early 1950s, 75 per cent of Thompson employees belonged to the association.<sup>100</sup> That body was honoured annually at a banquet. Management's addresses at these banquets, drafted by the OEB, tell us a great deal about Thompson's labour relations ideology. Managers, foremen, as well as workers belonged to the Old Guard. This symbolic elimination of hierarchical differences among the Company's employees was meant to indicate its commitment to the dignity of all workers, whatever their function.

The Old Guard was also in charge of the company's credit union. The company saw credit unions as “an important stabilizing influence, encouraging thrift and making available a great new source of credit to people who in

97. *Globe and Mail*, 5 May 1957.

98. JDW talk to Canadian Old Guard, 5 April 1952, Thompson Products, file Jan/52, OEB, BULSCA.

99. *The Constitution and By-laws of the Old Guard Association of Thompson Products, Ltd.*, 1946, BULSCA.

100. “Touring Thompson Products,” n.d., Thompson Products, file: 1952, OEB, BULSCA.

many cases had none before.”<sup>101</sup> Indeed, one of the most important services that the credit union offered its members was low-interest loans.

The encouragement and promotion of pension and insurance plans were also among the Old Guard’s purposes.<sup>102</sup> The company introduced a pension plan in 1947. To take care of workers who had been with the company from an earlier date, the company bought “Past Service Pensions” which offered long-time employees money for a number of the years they had worked before the introduction of the pension plans. The plan was vested in the members and unlike earlier pension plans, which workers lost if they left a company’s employ, Thompson workers received the amount they and the company paid into the plan when they left it. The secretary-treasurer of Thompson Products assured workers that this plan was superior to many of those available in the United States and Canada.<sup>103</sup>

The Old Guard oversaw many of the company’s recreational and community programs as well. They organized yearly dinners, entertainment, and children’s Christmas parties. The latter were attended not only by employees’ children but also by St. Catharines underprivileged children. They also sponsored a variety of athletic groups. The company explained the importance of this program: “We feel that this is an important part of our Old Guard activities because it provides a healthy outlet for young energies which is so important in the formative years.” Many of these groups made use of the Thompson Products Ball Park.<sup>104</sup>

Welfare plans introduced by other companies may not have been as extensive as those of the Plymouth Cordage and Thompson Products, but they were intended to serve similar ends. Unionized as well as anti-union companies, for example, offered pensions and insurance plans to their workers. In unionized plants, management fought to keep pensions separate from collective agreements, whereas unions fought to include them. How the terms of pension plans were decided would determine whether the union or management could take credit for it. In plants where workers continued to adhere to CDUs, such as Foster Wheeler of St. Catharines, such competition was unnecessary. Writing on behalf of the CSWU’s Foster Wheeler division, the OEB presented the company’s pension plan as the consequence of CSWU efforts. The OEB provided suggestions about how to introduce the plan to employees and the general public. It emphasized that this important benefit was achieved without strife. To underscore Foster Wheeler’s commitment to its employees, the OEB suggested that the company’s financial responsibility be publicized: “to inaugurate

101. *Friendly Forum*, 21 September 1953.

102. *The Constitution and By-laws of the Old Guard*, 1946, 7, BULSCA.

103. *Friendly Forum*, “Features of TP Pension Plan Put It With Canada’s Best Says Leach,” 4 May 1951.

104. “Touring Thompson Products,” n.d., 3, Thompson Products, file: 1952, OEB, BULSCA.

the plan requires a considerable outlay on the part of management.... In this particular case it will cost Foster Wheeler management approximately half a million dollars."<sup>105</sup> In announcing the adoption of the plan to his employees, George Macnoe, the company's president and general manager, also noted that the pension plan demonstrated management's concern for its employees' welfare: "I am sure you will all agree that this Plan will indicate one more forward stride in security in the years that lie ahead for the Foster Wheeler Family."<sup>106</sup>

The CSWU at Atlas Steels advertised the company's pension plan to similar ends. They stressed that the plan predated those of most other companies and that its terms were as good as any obtained by workers anywhere in Canada. "This and every other victory at the negotiating table which directly benefitted every Atlas employee and his family during the past seven years," they added, "have been won without costly strikes, or lost wages. These are points worth remembering."<sup>107</sup>

Profit sharing as a policy to improve worker morale and productivity and increase co-operation and loyalty to management, was rare before World War II. It expanded after the war.<sup>108</sup> At Stokes Rubber in Welland, an independent union had successfully defeated the UE by 1950, when management introduced a profit sharing plan. Fifteen per cent of the net profits were distributed for twelve months, based on the employees' monthly earnings. The plan was renewable at the end of that period pending a review by management. According to Lloyd J. Falkenhagen, vice-president and managing director of Stokes Rubber, "this profit sharing plan is further recognition of the amicable relations existing between the employees, through their independent union."<sup>109</sup>

McKinnon Columbus Chain of St. Catharines tied workers' annual bonuses to the previous year's earnings. In a letter to employees the company's president stated that the bonus payment policy was "a reminder that the success of the company is dependent largely on the co-operative effort of both employees and management."<sup>110</sup>

105. "Points to include in representative's talk," n.d., Foster Wheeler, OEB, BULSCA.

106. "Points to include in representative's talk," n.d., and "Memorandum for Mr. George Macnoe," n.d., Foster Wheeler, OEB, BULSCA.

107. *Welland Tribune*, 11 July 1950.

108. Fones-Wolf, *Selling Free Enterprise*, 88-89; Jacoby, *Modern Manors*, 251-252.

109. *Welland Tribune*, 24 March 1950, 14 January 1950. *The Tumbling Barrel*, 7, 1 (April 1950). BULSCA.

110. Template of letter to employees from A. L. McKinnon, President, n.d., McKinnon Columbus Chain, OEB, BULSCA.

## Did CDUs Become Indistinguishable from Bona Fide Unions?

GIVEN THAT BOTH UNIONIZED and anti-union companies relied on public relations and corporate welfarism to earn their workers' loyalty, should we conclude that by the 1950s CDUs were not much different from bona fide unions?

As the contracts of CDUs grew more complex, they did come to resemble those of bona fide unions. In the case of dues check-off, most Niagara contracts reflected employer intransigence. Employers' insistence on the impossibility of reconciling automatic check off with workers' individual rights forced many genuine union locals, as well as CDUs, to accept voluntary revocable check-off. Workers had to authorize the company to deduct union dues from their wages, and that authorization was revocable. Only the most militant union negotiators, such as those of the UE, succeeded in including automatic check-off in some Niagara labour contracts.<sup>111</sup>

By contrast, early attempts by CDUs to circumvent seniority clauses proved unsuccessful. All CDU contracts came to include such clauses. Indeed, the emphasis on length of service by anti-union firms underscored the importance of experience in labour's ability to perform different jobs. Initially, the language, however, differed from that of industrial union contracts. CDUs placed greater emphasis on merit than industrial unions, thus allowing greater management control by leaving more room for interpretation.<sup>112</sup> At the Plymouth Cordage Company, for example, the 1945 contract with its employee association emphasized the company's judgement of workers' capability, efficiency, work record, and physical fitness. Only when these factors were relatively equal did the length of service come into consideration. In 1948, when the UTWA was the workers' collective bargaining agent, "substantially equal knowledge, training and ability" were specified as qualifications only for jobs requiring "mechanical skill, clerical proficiency or leadership." The next year, when the workers returned to the Plymouth Cordage Employee Association, their contract adopted the UTWA language. This was just one example of the ways whereby CDUs were required to conform to bona fide union practices to gain and maintain support in Niagara.<sup>113</sup>

The 1949 contract of the General Plant Committee (Employees Association) of North American Cyanamid, stated that "seniority shall be based upon the ability, skill, experience, and *general co-operation of the employee with other*

111. See, for example, Agreement between the General Plant Committee (Employees Association) of North American Cyanamid Limited and North American Cyanamid, Niagara Falls Plant, 28 December 1949, North American Cyanamid, OEB, BULSCA.

112. Sanford Jacoby believes that in the United States the principle of seniority was applied less rigorously in non-union firms. *Modern Manors*, 46.

113. Plymouth Cordage Company and Plymouth Cordage Employees Association, 20 September 1945; Plymouth Cordage Company and Local 174 of UTWA (AFL), 17 June 1948; Plymouth Cordage Company and Plymouth Cordage Company Employees Association, 5 December 1949, Company Union Agreements, RG 7 33, box b220322, AO.



*employees and the Company* [italics added].” This definition allowed management far more discretion in determining seniority than did the definition of seniority in the contracts of bona fide unions by this time.<sup>114</sup>

Interestingly, the contract at Lightning Fastener, which employed a high proportion of female workers (about 67 per cent in 1947), distinguished between single and married women in its seniority clauses.<sup>115</sup> In its 1960 agreement, marital status was still a consideration in determining layoffs due to lack of work.<sup>116</sup> At Thompson Products married women were next after probationary employees to face layoffs in such cases.<sup>117</sup> Such distinctions – which reinforced the notion of the family wage by implying that married women did not have the same economic needs as single ones – were generally not made by the TLC, CCL, and radical unions.

CDUs generally placed greater emphasis on the role of foremen in settling grievances than did industrial unions. Thompson Products explained this policy thus: “Management feels that the key to the problem of settling grievances lies with the foremen. There are good reasons for this. The foreman, more than anyone, is better acquainted with the man, his job and any personal details that might have a bearing on the trouble.” This approach fit well with the emphasis CDUs placed on co-operation between workers and management. Foreman and worker, they held, being members of the enterprise family, shared the same interests. Giving the foremen such an important role also side-stepped the type of adversarial grievance procedure that industrial unions advocated. In some CDU contracts the first step in a grievance involved only the foreman and the worker.<sup>118</sup> In others, workers had the option of being accompanied by their representative. Industrial unions insisted on the presence of the shop steward when a grievance was launched. They believed that having received training in such negotiations, the steward could advocate far more effectively for the worker.<sup>119</sup>

Clauses concerning race-based discrimination, which appeared in the constitutions and contracts of industrial unions during and after World War II, were entirely absent from plant union contracts. The 1943 agreement between the General Plant Committee of North American Cyanamid Company, for

114. See Article VII, 4 in the 1949 agreement.

115. OEB, Lightning Fastener, 1947 lists of male and female employees.

116. Agreement between Lightning Fastener Company Limited and Shop Committee of Lightning Fastener, 9 December 1960, Company – Union Agreements and Construction Industry Collective Agreements (hereafter Company – Union Agreements), RG 7 33, AO.

117. Agreement between Thompson Products, St. Catharines, and Thompson Products Employee Association, 13 July 1955, Company – Union Agreements, RG 7 33, AO.

118. Foster Wheeler, Lightning Fastener, McKinnon Columbus Chain, Stokes Rubber, and Thompson Products.

119. Agreement between North American Cyanamid, Niagara Plant and UE Local 536, 15 April 1955, Company – Union Agreements, RG 7 33, AO.

example, made no mention of racism but it restricted eligibility for office in the union to British subjects or American citizens.<sup>120</sup> By contrast, members' obligations in the constitution of the United Gas, Coke and Chemical Workers, with which the Plant Committee was vying to represent Cyanamid workers, included a commitment to defend fellow workers against discrimination based on colour, creed and nationality.<sup>121</sup>

We cannot rely on union contracts alone to determine the extent to which CDUs came to resemble CCL or TLC and radical unions. We have already seen examples of the clear ideological differences between these two types of labour organizations. CDUs were less militant and less adversarial than affiliated and radical unions. The best indication of such differences was the avoidance of strikes by CDUs. Their restriction to single plants and their resulting inability to rely on outside union resources and support was a key reason for CDUs avoidance of strikes. Depriving CDUs of such assistance was the most obvious way in which employer support for this type of organization buttressed the imbalance between employer and worker.

At the same time, however, the success of corporate welfarism, as well as workers' responsiveness to their anti-union employers' strategies, also help to explain labour peace in such plants. Employees at Lightning Fastener, the St. Catharines zipper factory, were well aware that their wages and benefits were not as good as those of UAW members at the city's automotive plants. Yet they believed that their job security, the product of labour peace at Lightning Fastener, more than compensated for their lower pay.<sup>122</sup>

In locally owned Niagara plants, in particular, employers such as Roy H. Davis, president of Atlas Steels between 1928 and 1956, could maintain personal connections to their workers. Mike Bosnich, the UE business agent who tried in vain to make inroads among Atlas workers in the 1950s and 1960s, recalled that Davis walked the shop floor on a daily basis. The fact that he was not only well acquainted with production processes, but that he could greet each worker by name, fostered workers' trust and liking for their employer. The decision of Atlas clerical and technical workers to join the USWA in 1969 after Atlas was taken over by the Rio Algom Corporation, sheds light on the importance of Davis's relationship to his employees. "They realize that the 'horse and buggy' era is over and they are not negotiating with the same Atlas Steels or with Mr. Davis" a union leaflet explained. "Rio Algom is a large international

120. Agreement between General Plant Committee of American Cyanamid Ltd. and North American Cyanamid Company, 11 February 1943, Correspondence of the Registrar of Labour Court, Correspondence with Unions and Companies, RG 7 60 0 74, AO.

121. Constitution of the United Gas, Coke and Chemical Workers, 12 September 1942, Correspondence of the Registrar of Labour Court, Correspondence with Unions and Companies, RG 7 60 0 74, AO.

122. "In final days of plant life, future bleak for workers," *St. Catharines Standard*, 10 October 1981, and "Zipper workers a tight-knit group," *St. Catharines Standard*, 26 April 2007.

corporation and you have to meet that challenge on the same level. To solve their problems they have to come to us for help."<sup>123</sup>

Even some discriminatory features of CDU contracts that could no longer find a place in agreements at unionized plants, such as the distinction between single and married women at Lightning Fastener and Thompson Products, had their working-class supporters. A submission by a group of unemployed female auto workers from St. Catharines to the Royal Commission on the Status of Women in 1968 illustrates that some of Niagara's women workers shared the views of Lightning Fastener and Thompson Products management. Signing themselves "self-supporting women," the group recommended that "married women, supported by a husband, should step aside to allow room for the woman who must support herself and her family."<sup>124</sup> This example of the shared views of minority workers and management helps to explain how CDUs maintained their hold in a region where militant unionism was also influential.

Most importantly, however, increasing similarities in the collective agreements of CDUs and bona fide unions, as well as the high wages and good benefits that CDUs obtained, owed a great deal to the activism and success of bona fide unions in Niagara. UE business agent Mike Bosnich recalled that during new contract negotiations, the leaders of Atlas Workers Independent Union regularly enticed him to approach Atlas workers on behalf of the UE by suggesting that there was some interest in switching to the UE among them. Bosnich complied for years until he realized that they were content with the plant union and used Bosnich's presence as a tactic to gain better terms from management.<sup>125</sup>

## Plant Relocation

BUT IF THE DETERMINATION and astuteness of CDU negotiators such as those at Atlas Steels succeeded in obtaining high wages, good working conditions, and benefits for workers, these gains could undermine the supposed harmony between capital and labour. In 1961, when Atlas Steels decided to expand its operations, Québec was competing with Ontario to attract the new plant. Although the city of Welland and the Ontario provincial government were offering Atlas incentives to expand locally, those offered by Québec were more attractive. But as the president of Atlas Steels, George de Young, explained, the chief disincentive in Welland was the attitude of Atlas workers. "I must tell you," De Young wrote Ellis Morningstar, Welland MPP, concerning the decision to build a plant in Québec, "Welland labour is in a very poor position." He

123. "One Industry One Union For Your Information" n.d., published by USWA.

124. *St. Catharines Standard*, 6 June 1968.

125. Interview with Mike Bosnich, November 1985.

went on to explain that the behaviour of Atlas workers during the last contract negotiations was “distinctly discouraging.”<sup>126</sup>

This comment concerning the relationship between labour’s demands and plant location points to the most decisive tool of union avoidance during the period of supposed compromise between capital and labour: plant relocation. Canadian historians have given considerable attention to the use of this strategy by management during the period when it was most significant, from the 1970s on.<sup>127</sup> In the context of this particular examination of the limits of the postwar compromise, however, the shifting of production by a number of firms from Niagara to other parts of Ontario or to Québec starting in the mid-1950s is noteworthy.<sup>128</sup> Significantly, this extreme strategy was employed by companies whose workers belonged to bona fide unions.

The first company to leave the area in 1955 was McGlashan Clarke, a small silverware manufacturer in Niagara Falls. In 1948, when McGlashan workers rejected the International Chemical Workers’ Union, the OEB’s press release on behalf of the company noted that this outcome reflected the workers’ strong confidence in their employer, with whom they wished to deal without union intervention.<sup>129</sup> This confidence, the public relations firm argued, was not surprising “because at McGlashan Clarke Co. there is a tradition of friendly understanding and teamwork which is usually found in normal, happy family life.”<sup>130</sup> Claiming that “square-dealing” between employees and management contributed to the company’s success, management announced that it kept its employees and their families fully informed of company policy and objectives. Optimism concerning the company’s prospects remained high for the next few years. By 1950 it had 262 employees, 57 of them women. Some 300 Ontario jewellers were on the company’s waiting list.

Yet McGlashan Clarke workers did not apparently have great confidence in their employer’s family feelings. In 1951 they chose the militant UE to represent their interests. Publicly management declared “that the company and union would carry on in the same spirit of co-operation and friendliness as

126. George de Young to Ellis P. Morningstar, MPP, 11 October 1961, letter marked “Strictly Personal and Confidential,” Premier Leslie M. Frost general correspondence, RG 3 23, AO.

127. Steven High, *Industrial Sunset: The Making of North America’s Rust Belt, 1969–1984* (Toronto: University of Toronto Press, 2003); Bryan Palmer, *Capitalism Comes to the Backcountry: The Goodyear Invasion of Napanee* (Toronto: Between the Lines, 1994).

128. Especially helpful for this section of the article were studies by Tami Friedman. See, for example, “Acute Depression ... in ... the Age of Plenty: Capital Migration, Economic Dislocation, and the Missing ‘Social Contract,’ of the 1950s,” *Labor: Studies in Working Class History of the Americas* 8, 4 (Winter 2011): 89–113; “Exploiting the North-South Differential: Corporate Power, Southern Politics, and the Decline of Organized Labor After World War II,” *Journal of American History* 95, 2 (September 2008): 323–348.

129. McGlashan Clarke Ltd., 1948, OEB.

130. McGlashan Clarke Ltd., 1948, OEB.

has been the case over the period of many years within the organization."<sup>131</sup> In fact, much to the employees' dismay, management kept postponing negotiations over pensions among other benefits. Before long, despite its healthy financial standing, the company began to lay off workers. By 1955 the workforce was reduced from well over 200 to 50.

That year, the company's general manager resigned, and operations at the Niagara Falls plant were suspended, ostensibly for retooling. Two months later, blaming high operating costs, the company announced the plant's closing. In the meantime, however, the former general manager was building a new plant at Bells Corners, just outside Ottawa. Niagara Falls managers and some office staff would be moving to the new plant. Workers, apparently the stepchildren of the McGlashan family, received no such offer.

Union officials became convinced that the gradual layoffs were management's way of closing the Niagara Falls plant without having to pay severance pay to its workers. Negotiating from a decidedly disadvantageous position, the union argued that workers had a right to severance pay because they produced good profits for the company for many years. They berated Clarke McGlashan, the company's general manager, for callously casting onto the street workers with many years of seniority. "You well know," they wrote, "the workers served your company faithfully and loyally for the years you were in business and enabled you, because of the low wages paid for many years before Union organisation, to gather huge profits at the expense of a sub-standard of living for your employees."<sup>132</sup> A year later, the Niagara Falls UE office reported that many McGlashan workers still came around to the office "to see if we have heard any word from McGlashan and if he has ever given any thought to them."<sup>133</sup>

The relocation of International Silver, a second Niagara Falls silverware manufacturer, to Perth, Ontario in 1963, also occurred with little warning to employees. The union became suspicious when it learned the company officials had put their houses on the market and one of them had closed his account at a local credit union. Before the official announcement of the Niagara Falls plant closure, an advertisement in *Industrial Canada* about the construction of a new silverware factory in Perth, laid to rest any doubts about the company's intentions. Production workers were not offered the opportunity to move work in the Perth plant. International Silver, however, did offer them some severance pay.<sup>134</sup>

Perhaps because it came after the closing of McGlashan Clarke factory, the closing of International Silver's Niagara Falls plant aroused considerably more

131. *Niagara Falls Review*, 20 September 1951.

132. Tom Tomlinson, Bill Davidson, Jack Brenchley and Alex Davidson to Clarke McGlashan, 12 September 1955, UE fonds, vol. 37, file 8, LAC.

133. Tommy D. to Bob Ward, Editor, UE News, 23 October 1956, UE fonds, vol. 37, file 8, LAC.

134. UE fonds, MG 28 I 190 vol. 33, file 20, LAC.

opposition. Representing the workers, Local 505 of the UE wrote letters to protest plant relocation, to the citizens of Niagara Falls, 200 secretaries and presidents of local unions, the company's American headquarters in Meridian, Connecticut, and even to US President Kennedy. The union also organized delegations to the municipal government in Niagara Falls, the provincial government in Queen's Park, and the federal government in Ottawa. A prescient letter to the *Niagara Falls Review* warned that with the departure of industries, Niagara Falls could become "just one large motel, attracting only tourist dollars."<sup>135</sup> Another letter blamed the union for the company's flight.<sup>136</sup> Clearly, some Niagara Falls residents shared management's view that militant unions sowed discord and endangered community interests.

The company argued that imports from Japan were responsible for the relocation. As union activists pointed out, however, that failed to explain how the move to Perth could improve International Silver's advantage vis-à-vis the Japanese imports.<sup>137</sup> The union argued that the company was "running away" to a low wage area and throwing its employees out on the street in order to maintain profits.<sup>138</sup> Indeed, when George Bukator, the local MPP, requested help from the provincial department of labour to dissuade International Silver from closing its Niagara Falls plant, an official of that department responded that given the high costs of labour in that city, such efforts would be futile.<sup>139</sup>

The high cost of labour in Niagara was most likely also one of the reasons for Reliance Electric's relocation from Welland to Québec. The closing came in the middle of contract negotiations with the UE. The manager of manufacturing explained that the decision to close the Welland plant was made "because we found it too difficult to compete out of the Welland plant."<sup>140</sup> Reliance workers and their supporters questioned the veracity of this explanation. The promise of greater profits in Québec, where wages were significantly lower than in Welland, they maintained, was the real reason behind the company's move.

True Temper Canada (formerly Welland Vale), the manufacturers of hand and garden tools, openly attributed their decision to close the St. Catharines plant, which employed 94 workers, to "operating losses, non-competitive wages and working conditions, aggravated by further union contract demands."

135. *Niagara Falls Review*, 27 April 1963.

136. *Niagara Falls Review*, 23 May 1963.

137. W. A. Snyder, Vice-President and Legislative Chairman, Local 536, UE, 6 May 1963, UE fonds, vol. 33, file 20, LAC.

138. For an excellent discussion of capital flight later in the 20th century see Steven High, *Industrial Sunset*.

139. Correspondence of the Deputy Minister of Labour, International Silver Company – Niagara Falls, 1963, RG 7 12, AO.

140. "Reliance Electric to Close Welland Plant as of June 4," *Welland Evening Tribune*, 21 May 1964.



Production would continue at its Hamilton plant. When the announcement was made, True Temper Workers, who belonged to Local 199 of the UAW, had been on strike for a month. Speaking for the union, UAW Canadian director George Burt, pointed out that management often threatened to go out of business during contract negotiations. He believed that the company's problems stemmed from outdated operations and maintained that its wages were low compared to those of the competition in St. Catharines.<sup>141</sup>

The board of directors of the Humberstone Shoe Company in Port Colborne reached similar conclusions about prospects in Niagara. The workers in this plant belonged to the International Fur and Leather Workers Union. During 1959 contract negotiations a report on the labour situation noted "the numerous strikes that have occurred in Port Colborne" and stated: "Port Colborne definitely is not a location where light industry of a highly competitive nature such as shoe manufacturing can be carried on profitably." The report went on to advise that if the workers turned down the company's offer and went out on strike, "consideration should be given to discontinuing operations in Port Colborne altogether."<sup>142</sup>

The hardships that workers displaced by plant relocation experienced in finding new jobs, and many reports of layoffs and rising unemployment in the area, remind us that the economic prosperity that supposedly fuelled the postwar compromise was by no means comprehensive. Although these runaway plants affected only a few hundred workers – a small proportion of the region's workforce – plant relocations in the 1950s and early 1960s offer the most dramatic illustrations of the limits of the postwar settlement. Employers' willingness to close their plants in communities where they had operated for many decades suggests that they did not accept workers' right to collective bargaining. Rather, they believed that unions in Niagara threatened management's need to determine and receive adequate profits. The modest capitalization of these runaway plants made them relatively easy to relocate.

## Conclusion

UNION AVOIDANCE STRATEGIES, such as support for CDUs, anti-union public relations campaigns, the development of welfare plans, and company relocations, underscore the persistence of Niagara employers' view that their own prerogatives trumped workers' rights, and by extension employers' failure to accept the legitimacy of important labour demands. Despite the emphasis on democracy as the "Free World's" political alternative to communist totalitarianism, management attempts to manipulate public opinion and the views of

141. *Globe and Mail*, 16 October 1965.

142. "Summary of the Labour Situation." The summary is undated, but it was filed between the minutes of April and September 1959, Humberstone Shoe Co. Ltd. Directors Minutes, BULSCA.

workers in particular, suggest a distrust of ordinary Canadians' understanding of politics and economics.<sup>143</sup>

Niagara cases brought before the Ontario Labour Court in 1943, and later the Ontario Labour Relations Board, reveal that the role of state agencies was also not neutral in adjudicating relations between capital and labour during and after World War II. Some but not all rulings in these cases favoured capital.

Strategies designed to gain labour peace by obtaining workers' loyalty to their employers were not limited to companies that succeeded in keeping bona fide unions out of their enterprises. Some of Niagara's unionized employers also engaged the services of the OEB and developed welfare plans to gain their workers' consent to management policies. Some unionized companies such as Hayes Dana and North American Cyanamid, moreover, attempted to replace industrial unions with CDUs well into the 1950s. The fact that even unionized companies that appear not to have attempted to expel the unions that their workers supported, such as McKinnon Industries of St. Catharines, remained members of the anti-union Niagara Institute and clients of its frequent collaborator, the OEB, suggests that they had not accepted the legitimacy and durability of bona fide unions. Indeed, as the parent company of McKinnon Columbus Chain, McKinnon Industries took an active role in union avoidance. An analysis of the policies of firms resisting unionization, however, offers the clearest view of the depth and endurance of opposition to unions during the period of supposed compromise between employers, workers and the state. By dissuading thousands of workers from joining affiliated unions such companies weakened the labour movement in Niagara. Once the CFL's influence – itself a manifestation of employer domination rather than genuine outside support for CDUs – disappeared in the 1950s, CDUs, unlike bona fide unions, could rely neither on resources nor on support from outside their respective plants. Meanwhile, however, taking advantage of the region's high level of unionization, some of the workers in CDUs used the threat of joining CCL or TLC or radical unions to strengthen their bargaining position. The militancy of Niagara's bona fide unions and the high wages they succeeded in attaining undoubtedly fuelled management anti-union strategy. To determine how typical the management responses discussed here were during the post-World War II decades requires more comparative studies. At least in Niagara, however, there was greater continuity than we have supposed between management views of workers' rights during the period of the postwar compromise and the neoliberalism that characterized subsequent decades.

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143. Nerbas "Managing Democracy, Defending Capitalism," reaches this conclusion about the attitudes of Canada's business elites.

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